20-126

In the

United States Court of Appeals

for the

Federal Circuit

IN RE ADOBE INC.,
Petitioner

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas, Case No. 6:19-cv-00527-ADA, Honorable Judge Alan D. Albright

RESPONDENT SYNKLOUD TECHNOLOGIES, LLC'S COMBINED PETITION FOR PANEL REHEARING OR REHEARING *EN BANC*

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August 27, 2020

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF INTEREST

Case Number 20-126

Short Case Caption In re Adobe, Inc.

Filing Party/Entity SynKloud Technologies, LLC

Instructions: Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box**. Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: 08/27/2020

Signature: Deepali Brahmbhatt

Name: Deepali Brahmbhatt

1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	**2. Real Party in Interest.** Fed. Cir. R. 47.4(a)(2).	**3. Parent Corporations and Stockholders.** Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities. ☑ None/Not Applicable	Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities. ☐ None/Not Applicable
SynKloud Technologies, LLC	Same as entity	IdeaHub Inc.

☐ Additional pages attached

4. Legal Representatives. List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

☐ None/Not Applicable ☐ Additional pages attached

Deepali Brahmbhatt, One LLP		
John Lord, One LLP		
Kevin Terrazas, Cleveland Terrazas PLLC		

5. Related Cases. Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

☐ None/Not Applicable ☑ Additional pages attached

See attached		

6. Organizational Victims and Bankruptcy Cases. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

☑ None/Not Applicable ☐ Additional pages attached

FORM 9. CERTIFICATE OF INTEREST ADDENDUM

5. Cases known to me that are pending in the Western District of Texas that will be directly affected by this court's decision in the pending appeal include:

- Consolidated for pretrial purposes cases, *SynKloud Technologies, LLC v. Dropbox, Inc.,* 19-cv-00525-ADA and 19-cv-00526-ADA (W.D. Tex.)
- Petitioner and Defendant Adobe, Inc. has petitioned for inter partes review of the patents at issue in the present petition in IPR Nos. 2020-01301, 2020-01235, 2020-01392 and 2020-013923. The Patent Trial and Appeal Board has not yet acted on the petitions.
- Microsoft joined on some petitions with HP have petitioned inter partes review of a related patent and patents at issue at IPR Nos. 2020-00316, 2020-01271, 2020-01270, 2020-01269, 2020-01032 and 2020-01031. The Patent Trial and Appeal Board has instituted IPR 2020-00316 for the related patent and has not yet acted on the remaining petitions.
- Unified Patents has petitioned inter partes review of a related patent at No. 2019-01655. The Patent Trial and Appeal Board instituted the petition.

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STATEMENT OF COUNSEL UNDER FEDERAL CIRCUIT RULE 35(B)

Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

1. Whether the Fifth circuit's standard for granting mandamus petition related to transfer decision based on convenience factors in 1404(a), defined in *In re Volkswagen of Am., Inc.,* 545 F.3d 304, 315–16 (5th Cir. 2008) and further clarified and classified in *In re Radmax, Ltd.*, 720 F.3d 285, 290 (5th Cir. 2013), finding of "extraordinary error" only when "***not a single relevant factor*** *favors the plaintiffs' chosen venue*" expansively encompasses finding "extraordinary error" even when "***single factor that the court weighed in favor*** *of retaining the case was the court congestion factor*", especially when no other factor significantly favors transfer?

2. When a party proffers evidence on court congestion from a recent ruling wherein the district court relied on statistics of time to trial provided by both parties from different sources and over different time frames and also weighed in scheduling order in its own docket finding that the court congestion factor weighs against transfer, can there be *clear* abuse of discretion by the district court Judge in the Fifth Circuit in denying transfer when the court congestion factor is in addition to the plaintiff's choice of forum, both weighing against transfer?

3. When the third party subpoenas in the transferee forum were already served in early discovery in the transferor from, when there was no motion to quash

subpoena in response, and when discovery pursuant to the third party subpoena was served and completed, did the district court clearly abuse its discretion by according the compulsory process factor "slightly" favoring weight and not "significantly" favoring for transfer?

4. When: (i) there is no evidence that identified third-party witnesses from the transferor forum would be willing to testify in the transferee forum, in contrast (ii) there was a declaration from the only identified third-party witness from the transferee forum that he is willing to testify in transferor forum, did the district court clearly abuse its discretion by according the witness convenience factor "slightly" favoring weight and not "significantly" favoring for transfer?

5. Whether the equities lie considerably against granting mandamus, *United States v. Dern*, 289 U.S. 352, 359 (1933), *Zabel v. Tabb*, 430 F.2d 199, 208 (5th Cir. 1970) and *In re Telular Corp.*, 319 F. App'x 909, 911 (Fed. Cir. 2009), when, defendant, operates in, hires employees and transacts business in transferor forum, whereas, (i) plaintiff is not subject to personal jurisdiction or venue in the transferee forum; (ii) a declaratory judgment action of patent non-infringement could not have been brought against plaintiff in the transferee forum; and (iii) a small business such as plaintiff would be forced to incur significant delays and doubled out of pocket costs and expenses in the transferee forum?

6. Whether the district court's lack of explanation makes it impractical for the Federal Circuit, *see In re Archer Directional Drilling Servs., L.L.C.*, 630 F. App'x 327, 329 (5th Cir. 2016), to determine whether the district court clearly abused its discretion given that there is a rational basis for denying transfer when all facts are accounted for?

Based on my professional judgment, I believe the panel decision is contrary to the following decision(s) of the Supreme Court of the United States, the Fifth Circuit or the precedent(s) of this court:

1. *In re Volkswagen of Am., Inc.,* 545 F.3d 304, 315–16 (5th Cir. 2008) and further clarified and classified in *In re Radmax, Ltd.*, 720 F.3d 285, 290 (5th Cir. 2013).

2. *United States v. Dern*, 289 U.S. 352, 359 (1933), *Zabel v. Tabb*, 430 F.2d 199, 208 (5th Cir. 1970), and *In re Telular Corp*., 319 F. App'x 909, 911 (Fed. Cir. 2009).

3. *In re Archer Directional Drilling Servs., L.L.C.*, 630 F. App'x 327, 329 (5th Cir. 2016).

Respectfully submitted,

By: */s/ Deepali Brahmbhatt*
Attorney of Record,
For SynKloud Technologies, LLC

INTRODUCTION

This appeal raises the issue of transfer rulings on convenience committed to the discretion of the trial court. The Panel's non-precedential decision at issue here is the first and only mandamus petition granted in the WDTX to date. In doing so, the Panel chose preferred interpretations of evidence considered by the district court (as indicated by its Order reversing analysis on compulsory process, sources of proof, cost of attendance and court congestion), while largely ignoring other pertinent evidence (such as the fact that the identified third party subpoenas were already served and responded to completely, with no motion to quash subpoenas and only identified witness is a willing witness to appear in the transferor forum) that the district court embraced. The Panel's analysis also accords no weight to the court congestion factor, practically removing the factor in its entirety from the transfer for convenience analysis. Such analysis cannot lead to reversal under the clear abuse of discretion standard of review.

This *en banc* and rehearing petition raises a significant question concerning whether fidelity will be given to the governing standards of review that distribute the performance of justice between the trial and appellate courts. If standards of review are to be prisms that delimit appellate authority to reverse and permit trial courts to exercise their discretion on issues within a band of outcomes that can't just be second-guessed (even when this court if it sat in the first instance would have

chosen a different outcome), then they should be employed by this Court strictly and honored faithfully. This is especially true when this Court applies another circuit's law (in this case, the Fifth Circuit) and as such should not use its intermediate Federal Circuit case law to stray further away.

The underlying legal question committed to the sound discretion of the district court was whether transfer was clearly more convenient than not – a very high yardstick for defendants to begin with given the substantive test's demand of "clearly" – and then for this Court on mandamus review whether the district court's ruling on that question was also clear abuse of discretion. The Panel has essentially concluded that, despite the district court's weighing of the factors as not meeting the high standard, the trial court erred in its weighing and this Court has then labeled that a clear abuse of discretion. Clear abuse of discretion cannot be found as a matter of law, it is submitted, where a legally deferential balancing test is concluded to be close but on the side of not justifying transfer. In effect, the Panel has essentially reweighed the factors in the first instance.

The defendant makes much hoopla about Texas, the District Judge, and the unfairness of being subjected to patent litigation there. But this appeal is not about East Texas or East Texas patent litigation of the aughts. It is about Austin and West Texas today, a burgeoning new Silicon Valley in the Southwest where the defendant in fact conducts business, has two offices, has witnesses residing, and has hundreds

of employees employed, a geographic location that defendant avails itself of to employ citizens, conduct business, and make its billions—all on matters directly germane to this very case. The idea that the defendant is shocked, or that somehow systemically the judicial system is not working if they are called into Court in West Texas—where they employ people at issue in this very case—is meritless, and the defendant's constant assault as if this is some new version of the aught's East Texas narrative is improper and demeaning to the trial court there.

Undisputedly, Petitioner and defendant, Adobe, Inc. operates in, hires employees in and transacts business in the district. Rather than being condemned for holding defendants who operate in the district to stand and defend their choices, Judge Albright should be applauded for managing a fast-paced docket in patent litigations drawing on his past experience as a patent attorney with the help of law clerks who have technical backgrounds including a doctorate degree in electrical engineering. If standards of review are to be employed methodically and surgically, then this record cannot sustain concluding that the district court clearly abused its discretion in weighing factors and concluding that transfer was not clearly, demonstrably demanded. Rehearing and *en banc* review is needed to correct this serious error.

ARGUMENT IN SUPPORT OF A REHEARING OR REHEARING EN BANC

I. THE PANEL FLIPS THE FIFTH CIRCUIT TEST OF FINDING "EXTRAORDINARY ERROR" ONLY WHEN "NOT A SINGLE RELEVANT FACTOR FAVORS THE PLAINTIFFS' CHOSEN VENUE."

The Panel acknowledged and did not disturb the district court finding that one factor weighed against transfer. (ADD7, "Yet even with-out disturbing the court's suggestion...."). Under the Fifth Circuit standard, having a single relevant factor weighing against transfer is sufficient to deny transfer and does not qualify as "extraordinary error" allowing grant of a mandamus petition under the clear abuse of discretion standard. This is especially true when none of the other factors significantly favor transfer. This alone mandates the Panel or *en banc* court reverse.

Notably, while nothing allows any single convenience factors undue weight, the Fifth Circuit does not allow eliminating a factor when it weighs against transfer.

Instead, the Fifth Circuit has said:

> "The main guidance from the *en banc* court in *Volkswagen II*, as it informs this case, is that the district court should have been fully aware of the ***inadvisability of denying transfer where only the plaintiff's choice weighs in favor*** of denying transfer and where the case has no connection to the transferor forum and virtually all of the events and witnesses regarding the case—here, indeed all of those events, facts, witnesses, and other sources of proof—are in the transferee forum. *In Volkswagen II*, 545 F.3d at 318, ***we classified as an "extraordinary error[ ]" the "fact that not a single relevant factor favors the [plaintiffs'] chosen venue***." *In re Radmax, Ltd*., 720 F.3d 285, 290 (5th Cir. 2013) (emphasis added).

This makes sense. For example, in both *Volkswagen II* and *In re Radmax,* the controlling Fifth Circuit cases, not a single factor weighed against transfer and supported plaintiff's choice of forum. Any relevant factor in addition to plaintiff's choice of forum together are sufficient to deny transfer based on convenience. By flipping the test in the negative and erasing the single factor that weighs against transfer, the Panel improperly eliminated the single factor that weighs against transfer. The Panel has effectively put the burden on the nonmovant to establish the filed district is more convenient as opposed to requiring the movant to establish that the proposed district was "clearly" more convenient. But according to the Fifth Circuit, having even a single factor that supports plaintiff's choice of forum is sufficient to deny transfer and refuse to find "extraordinary error" for a grant of mandamus petition, especially when none of the other factors significantly favor transfer.

To the extent defendant suggests (ADD3-4) and the Panel agreed (ADD6) that *In re Genentech, Inc.* holds that a single factor weighing against transfer (in addition to the deference given to plaintiff's choice of forum) is not sufficient to deny transfer, such a holding conflicts with the Fifth Circuit standard and so must be corrected. *In re Genentech, Inc.*, 566 F.3d 1338, 1347 (Fed. Cir., May 22, 2009).

II. RATIONAL BASIS EXISTS FOR WEIGHT ACCORDED TO EACH OF THE TRANSFER CONVENIENCE FACTORS

"A court may deny a petition for mandamus '[i]f the facts and circumstances are rationally capable of providing reasons for what the district court has done.' *Volkswagen*, 545 F.3d at 317 n. 7 (internal quotation marks omitted); *see also In re Cordis Corp.*, 769 F.2d 733, 737 (Fed.Cir.1985) (noting that 'if a rational and substantial legal argument can be made in support of the rule in question, the case is not appropriate for mandamus')." *In re Genentech, Inc.*, 566 F.3d 1338, 1347–48 (Fed. Cir. 2009). As discussed below, the facts and circumstances here are rationally capable of providing reasons for the weight accorded by the district court.

A. The District Court's reliance on factual evidence of its own scheduling orders and dockets is proper

While acknowledging that for the court congestion factor, the real issue is whether a trial may be speedier in another court (ADD6), the Panel assumed incorrectly that NDCA is not crowded compared to WDTX. Appx1063 [9:2-7]. The trial date in this action in WDTX is set for October, 2021. Appx854. No court in NDCA will admittedly grant a trial at the same time or earlier. Realistically, the likely date of trial will be 21-28 months out, around 2023. *Id*. Such a delay is prejudicial to plaintiff. *Id;* Appx1083-1084 [29:23-30:12].

The Panel's discounting of statistics (ADD7, n.*) from another recent case that involved the same transferee and transferor forums is also incorrect. The citation includes the following:

> "In its motion, Apple argues that based on data from Lex Machina over a 11-year period from January 2008 to December 2018, NDCA has a shorter ***median time to trial (approximately 28 months)*** for patent cases than WDTX (approximately 32 months). ECF No. 40 at 9. But Apple concedes that the less congested Waco Division docket will likely change those statistics. *Id*.
>
> In its response, Fintiv cites United States District Court statistics over a 12-month period ending March 31, 2019, which show that the median time to trial in civil cases is 25.7 months in WDTX versus ***28.4 months in NDCA***. ECF No. 45 at 10." ." *Fintiv, Inc. v. Apple Inc*., No. 6:18-cv-00372-ADA, 2019 WL 4743678, at *7 (W.D. Tex. Sept. 13, 2019) (emphasis added).

By citing, whether directly or indirectly, a recent case involving a similar court congestion analysis that included statistical data, SynKloud properly put forth evidence to support that court congestion weighs against transfer. Defendant, concedes, "no patent infringement case has proceeded to trial in this Court. Thus, there are no statistics to compare." Appx1007. Yet, defendant turns away from the reality with an actual set date of trial in this action. In addition, there is no law, statutory or case law that denies a district court the right to look at its own scheduling order. To the contrary, under the Federal Rules of Evidence, the Judge is empowered to take judicial notice on its own and certainly address docket management issues like this, which are quintessentially within district court discretion. Appx1114 [60:3-15]; FED. R. EVID. 201(c) ("The Court may take judicial notice on its own").

B. Compulsory Process does not significantly favor transfer when the only identified subpoenas in transferee forum were already served and complied with

The Panel's analysis also diverges from the jurisprudence from courts in the Fifth Circuit by disregarding already compliant witnesses related to the compulsory process factor. Here, the district court had already allowed for issuance of third-party subpoenas on the inventor and his company through early discovery – the only known third party witness outside of the transferor forum. SAppx003-064. There were no motions to quash subpoenas. The only identified third parties in the transferee forum, STTWebOS, Inc. and the inventor, Mr. Tsao, did not move to quash the subpoenas. *Id*; *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 316 (5th Cir. 2008). In *Volkswagen*, the district court erred in holding that it would deny any motions to quash, whereas, here, there was no motion to quash to begin with. Unlike *Volkswagen*, here, the subpoenas were responded to and complied with. *Id.*

In addition, SynKloud identified non-parties, specifically four former defendant employees in the WDTX who would be outside of compulsory process range if the case is transferred. Appx850. Defendant did not put forth any evidence to indicate that these third-party witnesses from the transferor forum would be willing witnesses in transferee forum, or that they could not testify in the transferor forum. This factual conflict was not resolved by the district court and, therefore, again, must be resolved in SynKloud's favor given the standard of review; yet the

Panel decision essentially did the opposite which is not a proper application of abuse of discretion review. Based on these facts, the compulsory process factor cannot significantly favor transfer.

C. A single third party witness identified from transferee forum is a willing witness and there were no declarations from third party witnesses from transferor forum

The only identified third party witness, the inventor submitted a declaration stating he is a willing witness and will travel for trial to the transferor forum. Appx992-993. *See Quest NetTech Corp. v. Apple, Inc.,* No. 2:19-cv-00118-JRG, 2019 WL 6344267, at *4 (E.D. Tex. Nov. 27, 2019). Against this, the defendant did not offer any declarations from identified third party witnesses from the transferor forum. Appx850. Unlike in *Volkwagen*, where the third-party witnesses submitted affidavits stating the transferor forum would be inconvenient, here, the only identified third party witness submitted a declaration that he is a willing witness and transferor forum is not inconvenient. The Panel discounted the willing witness in this case and did not account for the third party witnesses of which there is no evidence that they would appear in the transferee forum willingly. Based on these facts, the convenience of witnesses cannot significantly favor transfer and to undo the district court's weighing of this factor is a misuse of the abuse of discretion standard.

/ / /

D. Cost of Attendance of willing witnesses factor cannot be analyzed using only self-serving declarations from one side

The Panel also appeared to give undue weight to self-serving declarations from the defendant, while inexplicably discounting evidence proffered by plaintiff, especially when defendant's willing witnesses are located outside of the transferee forum, specifically from Germany or India. Appx204. In the Fifth circuit, "[t]his factor primarily concerns the convenience of nonparty witnesses," and "the convenience of party witnesses is given little weight." *C&J Spec Rent Servs., Inc. v. LEAM Drilling Sys., LLC*, 2019 WL 3017379, at *4 (E.D. Tex. July 10, 2019).

The Panel's reweighing in the first instance of the discretionary balance weighed by the district court to the cost of attendance factor, is not an appropriate. Thus, an appellate court holding that in a patent litigation action, the defendant's evidence on witnesses is superior to that proffered by the plaintiff, simply buttressed by the fact that the defendant controls its own organization and technology, is wrong. *See Romag Fasteners, Inc v. Fossil, Inc.*, 140 S. Ct. 1492, 1496, 206 L. Ed. 2d 672 (2020)(elaborating on "principles of equity" as "more naturally suggests fundamental rules that apply more systematically across claims and practice areas.")

Here, there is no evidence of any third-party witness favoring the transferee forum. By ignoring SynKloud's evidence on cost of attendance (Appx853, Appx1087-1088 [33:23-34:10].), and weighing just the cost of attendance of

defendant's party witnesses, the Panel has improperly tilted this factor to strongly favor transfer.

III. WHEN DEFENDANT OPERATES IN, HIRES EMPLOYEES IN, AND TRANSACTS BUSINESS IN TRANSFEROR FORUM, AND SYNKLOUD HAS NO CONNECTION TO TRANSFEREE FORUM, EQUITIES LIE CONSIDERABLY AGAINST GRANTING MANDAMUS

Mandamus is an extraordinary writ. Such writs can only be granted when equities are not considerably against granting mandamus. *United States v. Dern*, 289 U.S. 352, 359 (1933), *Zabel v. Tabb*, 430 F.2d 199, 208 (5th Cir. 1970) and *In re Telular Corp.*, 319 F. App'x 909, 911 (Fed. Cir. 2009). Here, defendant operates in, hires employees in and transacts business in the transferor forum. Appx907-913, Appx845-846, Appx849, Appx851, Appx857, Appx906, Appx921, Appx946, Appx1045-1048; Appx1102 [48:3-24]. On the contrary, (i) plaintiff is not subject to personal jurisdiction or venue in the transferee forum; (ii) a declaratory judgment action of patent non-infringement could not have been brought against plaintiff in the transferee forum; and (iii) plaintiff as a small business would face doubled out of pockets costs and expenses in the transferee forum with a delayed trial schedule. Appx853, Appx1087-1088 [33:23-34:10]. This Court should deny the mandamus for reasons comparable to those which would lead a court of equity in the exercise of sound discretion. Subjecting SynKloud to patent litigation in a forum not voluntarily selected and chosen, when defendant's contacts in the chosen forum are

so extensive that it could be subject to general jurisdiction there, unreasonably tilts the scales in favor of defendant.

To the extent policy considerations are driving the Panel's decision, enforcing patent rights should be corrected at the issuance of patents by the USPTO. Court-based patent rights enforcement should continue to have a level playing field irrespective of the size of the entity. The right to litigate is the only check available for small entities against big corporations with unlimited resources.

Judge Albright should be applauded for providing a venue with a fast docket that promotes efficiency. Other districts, including, for example, Eastern District of Virginia, Southern District of Florida and Central District of California have also adopted patent pilot programs to provide fast dockets. Judge Albright's success in promoting his patent litigation prowess should not be held against him. When the law allows for defendant to be sued in the transferor forum, this Court should not tilt case law for policy purposes.

IV. ANY DETERMINATION OF CLEAR ABUSE OF DISCRETION IS IMPRACTICAL GIVEN THE DISTRICT COURT'S LACK OF EXPLANATION WITH AN ORAL ORDER

The Panel refused to give credit to the full scope of facts here, as discussed in the sections above. The district court had a rational basis for according appropriate weight for each of the factors and determined that there was no factor that significantly favored transfer and the court congestion factor weighed against

transfer. However, the district court did not reduce its decision to writing, likely leaving some of the rationale unexplained. In such a case, the Fifth Circuit requires a remand and an explanation from a district court judge in face of lack of explanation. *See In re Archer Directional Drilling Servs., L.L.C.,* 630 F. App'x 327, 329 (5th Cir. 2016) ("In the present case, the lack of explanation makes it impossible for us to determine whether the district court clearly abused its discretion, which is required in order for us to decide whether to grant mandamus relief. *See Volkswagen*, 545 F.3d at 310–11.") Without a remand for explanation, the Panel's finding of clear abuse of discretion is improper. *Id*.

Here, the district court's oral order did not explain the rationale behind the weight accorded to different factors. Any clerical error in not mentioning this factor explicitly when giving the oral order, or the district court's counting 2 out of 3 factors instead of 3 out of 4 factors as neutral to slightly favoring transfer, does not change the district court's analysis that none of the factors significantly favored transfer and the court congestion factor weighed against transfer. *See Ormco Corp. v. Align Tech., Inc*., 498 F.3d 1307, 1317–18 (Fed. Cir. 2007) ("However, we review decisions, not opinions. . . the district court arrived at the correct conclusion, we need not exalt form over substance…."). Defendant's speculation (Petitioner's Reply at 3) and the Panel's reliance on defendant's speculation, as to how the district court resolved or did not resolve factual conflicts (ADD6), is improper and amounts

to a *de novo* weighing which is simply improper under controlling Fifth Circuit law and the governing standard of review.

CONCLUSION

For the foregoing reasons, the petition for rehearing and/or rehearing *en banc* should be granted, and the District Court's judgement should be affirmed.

Dated: August 27, 2020

Respectfully submitted,

By: */s/ Deepali Brahmbhatt*

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ADDENDUM

ORDER, Case No. 20-126, Filed July 28, 2020 (Dkt. 17)

ADDENDUM

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NOTE: This order is nonprecedential.

United States Court of Appeals for the Federal Circuit

In re: ADOBE INC.,
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2020-126

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:19-cv-00527-ADA, Judge Alan D. Albright.

ON PETITION

Before PROST, *Chief Judge*, MOORE and HUGHES, *Circuit Judges*.

PROST, *Chief Judge*.

O R D E R

Adobe Inc. petitions for a writ of mandamus asking this court to direct the United States District Court for the Western District of Texas to grant its motion to transfer pursuant to 28 U.S.C. § 1404(a) to the United States District Court for the Northern District of California. SynKloud Technologies, LLC opposes. Adobe replies.

BACKGROUND

SynKloud brought this suit against Adobe, a company headquartered in San Jose, California, alleging infringement of six patents by various Adobe products related to cloud storage. The complaint stated that SynKloud is a company organized under the laws of Delaware, with its principal place of business in Milton, Delaware.

Adobe moved the district court to transfer the case to the Northern District of California where it is headquartered pursuant to § 1404(a), which authorizes transfer "[f]or the convenience of parties and witnesses, in the interest of justice." Adobe argued that "[o]ther than this litigation, SynKloud does not appear to have any connection whatsoever to Texas," noting that SynKloud's President resides in New York, SynKloud was not registered to do business in Texas, and it did not appear to have any operations, employees, or customers in Texas. A.198.

Adobe further urged that the Northern District of California would be clearly more convenient. In support, Adobe submitted sworn declarations attesting to the fact that the teams responsible for the development, marketing, and sales of the accused services are primarily based in the Northern District of California. *See, e.g.*, A.264–68, 405–08. Adobe noted that its own witnesses who would likely testify about the design, marketing, and sales of the accused products overwhelmingly reside in the transferee forum. Adobe further argued that, while it has two offices in Austin, Texas, those offices "have nothing to do with the design, development, or operation of the Accused Products" that were at issue in the case. A.199.

Adobe additionally noted that the inventor of the asserted patents, Sheng Tai Tsao, and his company, STT WebOS, Inc., which had assigned the patents to SynKloud, are located in the Northern District of California, and hence were only subject to the subpoena power of the transferee court. Adobe argued that "Mr. Tsao and STT WebOS

have advertised that they had 'demonstratable' products 'protected by' most, if not all, of the patents-in-suit prior to the earliest filing date of the asserted patents, potentially invalidating them by violating the statutory on-sale bar," and thus "have highly relevant information related to the validity issues in this case." A.197.

After a hearing, the district court denied Adobe's motion from the bench. With regard to the relative ease of access to sources of proof factor, the district court found that the convenience of having Adobe's, the inventor's, and STT WebOS's documents in the Northern District of California outweighed SynKloud's purported convenience in the location of SynKloud's documents in New York and Virginia. The district court acknowledged a disagreement between the parties as to whether any Adobe employee in Austin, Texas had relevant knowledge. However, the court found that "even if I conclude and resolve this factual conflict in favor of SynKloud," it would still find "that this factor slightly favors transfer." A.1112.

The district court also concluded that the compulsory process factor "slightly favors transfer," noting that while "[w]itnesses related to the power of assignment and prior art rarely testify," "it [is] almost certain that one party or the other would want the inventor to testify." A.1113. The court noted a disagreement between the parties as to whether former Adobe employees in Austin, Texas had relevant information. But the court again explained that even if it resolved that conflict in SynKloud's favor, it seemed unlikely that all four identified individuals would testify and did not ultimately sway the court to weigh this factor in favor of retaining the case. The court also found that the local interest factor "is neutral to slightly favors transfer," given that "Adobe has facilities in both districts," and "SynKloud does not." A.1114.

The single factor that the court weighed in favor of retaining the case was the court congestion factor. The court

noted that it "had a year and a half of experience in terms of setting schedules and timing of cases and trials" and had "an order governing proceedings that I use in virtually every case that specifies that the trial will occur within roughly 44 to 47 weeks after a Markman hearing," and that "[t]o the best of my recollection," the court had no difficulty "setting a trial within that anticipated window." A.1114. While the court acknowledged that the Northern District of California "might be more convenient," it still decided to deny Adobe's motion. A.1115.

DISCUSSION

Applying Fifth Circuit law in cases from district courts in that circuit, this court has held that mandamus may be granted to direct transfer for convenience upon a showing that the transferee forum is clearly more convenient, and the district court's contrary ruling was a clear abuse of discretion. *See In re Genentech, Inc.*, 566 F.3d 1338, 1348 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315, 1318–19 (Fed. Cir. 2008); *see also In re Radmax, Ltd.*, 720 F.3d 285, 287 (5th Cir. 2013); *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 311 (5th Cir. 2008) (en banc).

"A motion to transfer venue pursuant to § 1404(a) should be granted if 'the movant demonstrates that the transferee venue is clearly more convenient,' taking into consideration" the relevant private and public *forum non conveniens* factors. *Radmax*, 720 F.3d at 288 (quoting *Volkswagen*, 545 F.3d at 315); *see also In re Nintendo Co., Ltd.*, 589 F.3d 1194, 1198 (Fed. Cir. 2009) (holding that "in a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer").

In denying Adobe's motion to transfer here, the district court committed several errors. First, the district court failed to accord the full weight of the convenience factors it considered and weighed in favor of transfer. Second, the

court overlooked that the willing witness factor also favored transferring the case. Third, the court ran afoul of governing precedent in giving dispositive weight to its ability to more quickly schedule a trial. Taken together, we agree that the district court's denial of transfer here was a clear abuse of discretion.

First, the district court failed to accord proper weight to the convenience of the transferee venue. The court, by its own assessment, found that no private convenience factor here favored retaining the case in the Western District of Texas and several such factors favored transfer. In particular, the court noted that in addition to Adobe, the inventor and his company were in Northern California, and hence transfer would make providing testimony or documentary evidence more convenient or allow a party to subpoena such information. The court also declined to credit any potential witness or location in the Western District of Texas as having relevant evidence. Clearly, "[w]hen fairly weighed," here, the compulsory process and sources of proof factors together tip "significantly in" favor of transferring the case. *In re Google Inc.*, No. 2017-107, 2017 WL 977038, at *3 (Fed. Cir. Feb. 23, 2017); *see also In re Acer Am. Corp.*, 626 F.3d 1252, 1255 (Fed. Cir. 2010) (determining that subpoena power of the transferee court "surely tips in favor of transfer" notwithstanding the possibility that some potential witnesses were within subpoena range of the transferor court). However, the district court only weighed those factors as "slightly" favoring the transferee forum.

Second, and relatedly, the district court failed to weigh the cost of attendance for willing witnesses factor in its discussion, yet this factor also favors transfer. Adobe identified a significant number of its own employees as potential witnesses who reside in the Northern District of California. On the other hand, SynKloud's own employees will be coming from outside both districts. *See In re Toyota Motor Corp.*, 747 F.3d 1338, 1340 (Fed. Cir. 2014) ("The comparison between the transferor and transferee forums is not

altered by the presence of other witnesses and documents in places outside both forums."). Although SynKloud insisted that there may be Adobe employees working from its Austin, Texas office that may have relevant information, the district court found elsewhere in its analysis that, even if it could give SynKloud the benefit of the doubt here with regard to those sources of evidence, Northern California would still be more convenient.

Third, the district court erred in denying transfer based solely on its perceived ability to more quickly schedule a trial. In *Genentech*, we granted mandamus where, like here, there was a stark contrast in convenience between the two forums. 566 F.3d at 1348. There, the district court found that the court congestion factor weighed against transfer based solely on its assessment of the average rate of disposition of cases between the two forums. *Id.* at 1347. We questioned whether the court congestion factor was relevant under the circumstances and held that even without disturbing the court's suggestion that it could dispose of this case more quickly than the transferee venue, where "several relevant factors weigh in favor of transfer and others are neutral, then the speed of the transferee district court should not alone outweigh all of those other factors." *Id.*

The same conclusion follows here. Like the district court's analysis in *Genentech*, the district court's assessment of the court congestion factor here does not withstand scrutiny. The factor concerns whether there is an appreciable difference in docket congestion between the two forums. *See Parsons v. Chesapeake & Ohio Ry. Co.*, 375 U.S. 71, 73 (1963); *Gates Learjet Corp. v. Jensen*, 743 F.2d 1325, 1337 (9th Cir. 1984) ("The real issue is . . . whether a trial may be speedier in another court because of its less crowded docket."). Nothing about the court's general ability to set a schedule directly speaks to that issue. Nor does the record demonstrate an appreciable difference in docket congestion between the forums that could legitimately be

worthy of consideration under this factor.* Yet even without disturbing the court's suggestion that it could more quickly resolve this case based on its scheduling order, with several factors favoring transfer and nothing else favoring retaining this case in Western Texas, the district court erred in giving this factor dispositive weight.

In short, retaining this case in the Western District of Texas is not convenient for the parties and witnesses. It is not in the interest of justice or proper administration. And the district court's contrary determination amounted to a clear abuse of discretion. We therefore grant Adobe's petition for a writ of mandamus to direct transfer.

Accordingly,

IT IS ORDERED THAT:

The petition is granted.

FOR THE COURT

July 28, 2020
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

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* SynKloud merely referred to the district court's own statement in another case, *Fintiv, Inc. v. Apple Inc.*, No. 6:18-cv-00372-ADA, 2019 WL 4743678, at *7 (W.D. Tex. Sept. 13, 2019), in which the court relied on the same scheduling order to state that it averaged a 25% faster time to trial when compared to the Northern District of California.

FORM 19. Certificate of Compliance with Type-Volume Limitations

Form 19
July 2020

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATIONS

Case Number: 20-126

Short Case Caption: In re Adobe, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that on August 27, 2020, I electronically filed the foregoing Respondent Synkloud Technologies, LLC's Combined Petition for Panel Rehearing or Rehearing *En Banc* with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit by using the appellate CM/ECF system.

I further certify that the following participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system:

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