Miscellaneous Docket No. 21-147

IN THE
United States Court of Appeals for the Federal Circuit

IN RE APPLE INC.,

Petitioner.

On Petition for Writ of Mandamus to the
United States District Court for the
Western District of Texas
No. 6:20-cv-00665-ADA, Hon. Alan D Albright

APPLE INC.'S REPLY IN SUPPORT OF PETITION FOR WRIT OF MANDAMUS

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TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page(s)

Cases

Statutes

INTRODUCTION

When a district court considering a motion to transfer venue under § 1404(a) commits a clear error of law or clearly misapplies the law to the facts, mandamus is warranted to correct the clear abuse of discretion. Apple's petition demonstrated that the district court's order denying transfer turned on several such errors. Koss's response fails to rebut that showing. Instead, Koss ignores the binding Fifth Circuit and Federal Circuit precedent that Apple cited; relies on district court cases purporting to apply contrary legal principles; and claims not to see any legal error. Koss similarly evades Apple's detailed showing of how the district court inconsistently applied legal principles in a way that disfavored transfer.

Koss tries to make this case about the facts, devoting its opposition to relitigating points that Apple did not contest in its petition. The reason for Koss's strategy is clear: This Court will not invoke its mandamus authority if it merely "may have evaluated some of the factors differently" than the district court. *In re W. Digit. Techs., Inc.*, No. 2021-137, 2021 WL 1853373, at *1 (Fed. Cir. May 10, 2021). But that is not Apple's argument here. Rather, Apple showed that the

district court's analysis plainly applied legal rules that this Court and the Fifth Circuit have rejected, amounting to a clear abuse of discretion. This Court has repeatedly made clear that it *will* invoke its mandamus authority in the face of such clear abuses of discretion. *See, e.g.*, *In re TracFone Wireless, Inc.*, No. 2021-136, 2021 WL 1546036 (Fed. Cir. Apr. 20, 2021); *In re Apple Inc.*, 979 F.3d 1332 (Fed. Cir. 2020); *In re Adobe Inc.*, 823 F. App'x 929 (Fed. Cir. 2020). It should do so here as well.

ARGUMENT

I. The District Court's Analysis Of The § 1404(a) Factors Relied On Clear Errors of Law.

Witness convenience. Apple demonstrated not only that the critical witness-convenience factors resoundingly favor transfer to the Northern District of California, but also that the district court relied on "erroneous conclusions of law[]" and "misapplications of law to fact" in denying transfer. Pet. 21-25 (quoting *Apple*, 979 F.3d at 1346). Koss's response acknowledges that such legal errors can constitute a clear abuse of discretion warranting mandamus. Opp. 2. Koss accuses Apple of offering "a flawed representation of Fifth Circuit law." Opp. 13. But Apple's petition (like its transfer motion) correctly stated both Fifth Circuit precedent and this Court's precedential interpretations of Fifth

Circuit law, which the district court is bound to follow here. *Cf. Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1575 (Fed. Cir. 1984) (deeming it "preferable for the twelve judges of this court to handle [potential] conflicts" with regional circuit law "than for countless practitioners and hundreds of district judges to do so"). Moreover, Koss identifies no defect in this Court's interpretations and incorrectly represents the relevant law. At most, Koss has shown that some Texas district courts disagree with the Fifth Circuit and this Court about what the law *should* be.

That is the case with the district court's first legal error: affording party witnesses "little weight." Pet. 21-23. Apple recited ample binding precedent from this Court and the Fifth Circuit recognizing the significance of convenience to party and nonparty witnesses alike. *See* Pet. 22-23; *see also, e.g.*, *In re Acer Am. Corp.*, 626 F.3d 1252, 1255 (Fed. Cir. 2010) (relying on convenience to a "substantial number of party witnesses" in the transferee forum"); *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 317 (5th Cir. 2008) (en banc) ("*Volkswagen II*") (relying on plaintiffs' own residence in transferee district).

Koss does not address these cases. It instead contends that "existing, longstanding Fifth Circuit precedent … holds that the convenience of *non-party* witnesses is accorded much greater weight than the convenience of any party (and especially employee) witnesses." Opp. 7. Koss does not cite any Fifth Circuit precedent in support of this proposition, but rather a series of Texas *district court* cases, including one from the district court here—which has continued giving "little weight" to party witnesses even after this Court had questioned this "discordant proposition." *In re Apple Inc.*, 818 F. App'x 1001, 1003 (Fed. Cir. 2020); *see Moskowitz Family LLC v. Globus Med., Inc.*, No. 19-CV-672 (ADA), 2020 WL 4577710, at *4 (W.D. Tex. July 2, 2020). Koss also cites a Texas district court "collecting cases" from three out-of-circuit district courts. Opp. 7; *see State St. Cap. Corp. v. Dente*, 855 F. Supp. 192, 198 (S.D. Tex. 1994) (citing cases from N.D.N.Y., S.D.N.Y., and N.D. Ill.). None of Koss's cited cases relies on a circuit-level decision for the proposition that party witness convenience is given less weight.

Having failed to defend the lawfulness of the district court's approach, Koss tries to defend its logic. Koss echoes the district court's assertion that Apple's Austin campus would reduce the inconvenience of

a Waco trial for Apple's thirteen employees travelling from California. Opp. 14-15. But it does not rebut Apple's showings that (1) this statement is inconsistent with the concerns animating the witness-convenience factor, including taking witnesses away from their homes, (2) there is no evidence to support the district court's theory, and (3) Austin is 100 miles from the Waco courthouse. Pet. 23-24. And Koss does not rebut Apple's showing that the district court failed to consider the "relevance and materiality of the information" Apple's witnesses would provide, *In re Genentech, Inc.*, 566 F.3d 1338, 1343 (Fed. Cir. 2009), which Apple set forth in meticulous detail for each witness.

The district court's next legal error—misapplication of the Fifth's Circuit's 100-mile rule—was similarly contrary to binding precedent. As Apple explained (Pet. 24), this Court has clarified that the 100-mile rule should not be applied to "produce results divorced from [its] underlying rationale," which is to "'minimize the time when [fact witnesses] are removed from their regular work or home responsibilities.'" *TracFone*, 2021 WL 1546036, at *2-3 (quoting *In re Volkswagen AG*, 371 F.3d 201, 205 (5th Cir. 2004)). This Court has held that significant weight should not be given to witnesses who may be

marginally closer to one forum than the other but who "will likely have to leave home for an extended period of time and incur travel, lodging, and related costs" regardless of where trial occurs. *Apple*, 979 F.3d at 1342.

As Apple showed, the district court clearly misapplied this law by affording "significant" anti-transfer weight to witnesses who live in Illinois and Wisconsin, which the district court considered marginally more convenient to Waco than to Northern California. Pet. 24 (quoting Appx20); *see also Kuster v. W. Digit. Techs., Inc.*, No. 20-CV-563 (ADA), 2021 WL 466147, at *7 (W.D. Tex. Feb. 9, 2021) (rejecting "the Federal Circuit's holding" that "additional travel within the United States is not significant to a transfer analysis" because "this is not what the Fifth Circuit has laid out in its 100-mile rule"). Koss, remarkably, claims that Apple "provides no explanation as to what the inconsistency is" between the district court's reasoning and this Court's precedent. Opp. 14. The error is clear, since these witnesses must travel significant distances regardless of the location of trial; Koss simply ignores this.

Compulsory process. Apple also established that it was clear legal error for the district court to require Apple to prove that third-

party witnesses were "unwilling" to testify before the court would count them toward the compulsory process factor. Pet. 25. This Court has "presumed" witnesses to be unwilling so long as there is "no indication that a non-party witness is willing," *In re HP Inc.*, No. 2018-149, 2018 WL 4692486, at *3 n.1 (Fed. Cir. Sept. 25, 2018), and neither this Court nor the Fifth Circuit has required a threshold showing of unwillingness before considering third parties under this prong, s*ee, e.g.*, *Acer*, 626 F.3d at 1255. Pet. 25. Koss again fails entirely to address this argument, contending only that *HP* "does not call into question the District Court's well-reasoned assumption that few if any prior art witnesses will ultimately testify at trial." Opp. 11-12. That is beside the point. Whether the district court was right or wrong about which non-party witnesses may testify, it was unquestionably wrong to require proof of unwillingness before considering the potential for compulsory process over potential witnesses.

Local interest. This Court has found legal error warranting mandamus when this same district court treated the mere fact that Apple has a substantial presence in Austin as creating a "significant interest" for the Western District of Texas, without regard to the

activities implicated by the particular case. *Apple*, 979 F.3d at 1344-1345. The district court applied virtually identical—and legally indistinguishable—reasoning in this case. *See* Pet. 29-30. Koss doubles down on the error, ignoring this Court's precedent and parroting the district court's "recogni[tion] that both venues have a significant interest in deciding the case because Apple is one of the largest employers in both NDCA and WDTX." Opp. 17.

Furthermore, both this Court and the en banc Fifth Circuit have made clear that simply selling products in a district does not give that district any localized interest for § 1404(a) purposes. In *Volkswagen II*, for instance, the Fifth Circuit found error where the district court's rationale—that the defective product at issue was available for sale in the transferor district—"could apply virtually to any judicial district or division in the United States." 545 F.3d at 318. And just last month, this Court granted mandamus in part because the district court improperly relied on the defendant's use of the allegedly infringing process throughout the nation to downplay the local interest in the transferee forum. *TracFone*, 2021 WL 1546036, at *3.

Koss cites no law to the contrary—indeed, it cites no law at all in its discussion of local interest. Opp. 17-18. Instead, Koss recites the district court's reliance on two facts that do not differentiate the Western District of Texas from the other 89 federal judicial districts throughout the country: (1) that Koss sells its products there—as it does at "retail chains throughout the United States," Appx45—and, as a consequence, files tax returns in Texas; and (2) that Apple sells its own products there—as it likewise does throughout the country. Opp. 17. Neither activity gives the Western District of Texas any localized interest in this dispute. Nor does either come close to equaling (let alone outweighing) the case-specific interest of the Northern District of California—the residence of the Apple employees who worked on the accused technology and whose reputations are threatened by Koss's willful infringement allegations. *See In re Hoffmann-La Roche Inc.*, 587 F.3d 1333, 1336 (Fed. Cir. 2009) (willful infringement allegations create substantial local interest); Appx111-112.

Court congestion. On this factor, Koss recognizes the law, but not its implications for this case. Koss agrees that "[i]t is improper to speculate about time to trial." Opp. 17; *see Genentech*, 566 F.3d at 1347.

But as Apple showed (Pet. 32-35), the district court's treatment of the relative court congestion of the Western District of Texas and the Northern District of California was especially speculative given the recent explosion of patent cases on the district court's docket. Koss refuses to acknowledge—but cannot dispute—that it was particularly improper for the district court to weigh court congestion against transfer.

Koss also correctly recognizes that it is improper for a district court to rely on "anticipated schedules" for bringing a case to trial. Opp. 16 (quoting Appx25). Koss purports to see daylight between a district court relying on "anticipated schedules" and a district court "assessing *its own schedule*." Opp. 16-17. Koss's argument is not only illogical, it is contrary to this Court's clear ruling that a district court may not weigh court congestion against transfer based on its own "general ability to set a schedule." *Adobe*, 823 F. App'x at 932. As Apple showed (Pet. 32-35), that is precisely what the district court did.

II. The District Court's Analysis Of Witness Convenience And Compulsory Process Relied On Internal Inconsistencies.

Apple demonstrated that, in addition to making numerous legal errors, the district court further abused its discretion by applying

internally inconsistent standards. *See* Pet. 25-29. Koss does not resolve any of those inconsistencies, instead misrepresenting Apple's arguments as attempts to dispute the district court's factual determinations.

First, Apple showed that the district court erroneously credited Koss's IT vendor (Mr. Petrone of Synectics) under the witness convenience and compulsory process prongs after concluding that he was "unlikely" to testify. Appx13; Appx20. It was a clear abuse of discretion to factor into the § 1404(a) analysis an individual that the district court itself acknowledged would not appear at trial, wherever that trial takes place. Pet. 26. Koss offers no counterargument. Instead, Koss notes that Mr. Petrone was unwilling to testify voluntarily in the Northern District of California (and unable to be compelled to do so), but willing to testify in the Western District of Texas (and subject to subpoena there if necessary). Opp. 13, 15.

That may be true, but it is irrelevant. The district court found (correctly) that Mr. Petrone would not need to decide whether to testify because he does not have relevant information. Appx13. Yet the district court still considered Mr. Petrone's location in weighing the

witness-convenience and compulsory-process factors. That is the abuse of discretion Apple identified: the inclusion in the district court's analysis of an admittedly irrelevant witness. *See* Pet. 26. Koss has no answer.

Second, Apple explained that the district court heavily discounted the "majority" of Apple's 13 employee witnesses, despite Apple's extensive showing that each witness was knowledgeable about a different accused feature or product—while assuming that all of Koss's witnesses would testify, even when Koss did not explain their relevance. Pet. 26-27. Koss argues that the district court "carefully considered all the pertinent facts as to all of Apple's witnesses," Opp. 14, but it cites only the district court's recitation of Koss's own argument, not any analysis of Apple's employee testimony. Appx16. Indeed, nowhere did the district court evaluate the "relevance and materiality" of Apple's witnesses' testimony. *Genentech*, 566 F.3d at 1343.

Koss further attempts to downplay the district court's inconsistency by contending that the district court "treated Apple and Koss *party* witnesses equally [by] universally g[iving] relatively little weight to their convenience." Opp. 15. But the district court declined to

credit Koss's (non-Texas-based) party witnesses only because "Koss provides no support for its assertions and [] travel time between [Koss's] Midwestern offices and Waco is the same as the travel time to San Francisco"; in contrast, the district court found that the California-based Apple witnesses carried "little weight" merely by virtue of being employed by Apple. Appx16-19.

Third, as Apple explained, the district court was internally inconsistent in evaluating the distance various witnesses might need to travel to attend trial in Waco or the Northern District of California. Pet. 27-28. The district court stated that Apple witnesses who live in Los Angeles and San Diego would need to travel "significant distances to reach either WDTX or NDCA." Appx17. Thus, it essentially treated the venues as equally convenient, even though the travel distance is 400-500 miles from Southern to Northern California and 1400-1500 miles to Waco. *See* Pet. 27-28; Appx17. Similarly, when considering the convenience of a named inventor (Mr. Sagan) who lives in Sacramento, the district court declined to "attribut[e] too much convenience" to his relative ease of access to the Northern California courthouse because he would "likely have to leave home for an extended period of time and

[would] not incur any … costs regardless of the venue." Appx21. In other words, the district court equated the 90-minute drive to San Francisco with a five-hour, multi-leg trip to Waco. Appx108.

Of course, the district court was right to give little weight to such marginal inconvenience, at least for the Southern California witnesses. That is how the Fifth Circuit's 100-mile rule should work. *See supra* Part I. But the district court did not apply this rule consistently. As discussed above (at 6), it gave "significant" anti-transfer weight to its finding that witnesses in Illinois and Wisconsin would find travel to Waco "more convenient" than travel to Northern California. Appx20. If it is irrelevant that Waco is 1000 miles farther from Los Angeles than San Francisco, it should be equally irrelevant that San Francisco is 1100 miles farther from Milwaukee than Waco is. But the district court did not treat it that way.

Koss does not attempt to resolve this inconsistency. Instead it asserts without support that the district court "properly weighed the convenience of the seven third-party inventors who are all located in Illinois and Wisconsin" and again accuses Apple of failing to explain the inconsistency. Opp. 14. Apple clearly articulated in its petition (at 27-

28) the ways in which the district court applied differing standards to different witnesses. Koss ignores this explanation. Koss alternatively contends that the district court *properly* applied different standards to these witnesses because "Apple's witnesses are party witnesses and Koss' inventor witnesses are not." Opp. 16. But this doesn't justify the district court's "rigid and formulaic" application of the 100-mile rule, *TracFone*, 2021 WL 1546036, at *2-3, with regard to certain witnesses and not others.

Fourth, Apple established that the district court required Apple to prove that a witness is "unwilling" to travel for trial before he would be factored into the compulsory process analysis while elsewhere acknowledging that such a standard would likely be "impractical and likely impossible" to meet. Appx10; Appx12. To the extent Koss might be read to respond, it simply explains that it did present evidence that one of the named inventors *would* be willing to testify at trial on its behalf regardless of location. Opp. 10-11. But Apple's argument was that the district court acknowledged that it was holding Apple to an essentially insurmountable standard of proving a prospective third-party witness's unwillingness to testify, a point Koss does not address.

III. Mandamus Is Appropriate Under The Circumstances.

Koss offers no response to Apple's showing that mandamus is "appropriate under the circumstances." Pet. 36-40.

Koss's silence is particularly striking given the developments in Koss's related cases since Apple filed its petition. At the time Apple filed its petition, the district court had stayed the *Plantronics* case pending its decision on transfer, signaling that it was seriously considering granting Plantronics's motion. *Koss Corp. v. Plantronics, Inc.*, No. 20-CV-0663 (W.D. Tex. Apr. 8, 2021); Pet. 39-40. That prediction has been borne out. Just days after Apple filed its mandamus petition, the district court granted Plantronics's motion to transfer that case to the Northern District of California. *Plantronics*, Dkt. 45 (W.D. Tex. May 20, 2021).

The transfer in *Plantronics* undercuts the district court's reliance on judicial-economy considerations in denying transfer to Apple. *See* Pet. 39-40. When Apple filed its petition, the district court had already dismissed the suit against Skullcandy for improper venue, and Koss had refiled in Utah. Pet. 39. In *Peag* and *Bose*, the defendants have moved to dismiss based on improper venue. Pet. 40. And now the

Plantronics case is gone from the Western District of Texas as well. Absent mandamus, Apple's case could well end up the lone one remaining in Waco. No matter what, Koss's patents will be interpreted in multiple districts—including the Northern District of California.

Koss attempts to suggest that the Northern District of California has endorsed the Western District of Texas's analysis denying transfer, claiming that Judge Tigar "lauded" Judge Albright's ruling. Opp. 5. But nearly six months before the Texas district court denied transfer, the California district court announced that it would defer to the Texas district court under "the first-to-file rule." *Apple Inc. v. Koss Corp.*, No. 20-CV-5504, Dkt. 39, 42, at 35 (N.D. Cal. Nov. 4, 2020). The California court did exactly that. *Id.*, Dkt. 72, at 1. Notably, the California district court did not purport to analyze whether the Texas district court followed Fifth Circuit and Federal Circuit precedent. *See id.*

Indeed, the Texas district court itself undermined its reasoning here in the recent *Plantronics* order. For instance, in Apple's case, the district court required Apple to prove that a third-party inventor (Mr. Sagan) who lives in California—and thus is subject to compulsory process there—would be unwilling to travel to the Western District of

Texas. Pet. 20-21; *see* Appx9; Opp. 10. But in *Plantronics*, the district court correctly followed this Court's precedent, imposing no requirement that the defendants there prove that the *same* "key inventor witness" (Mr. Sagan) be unwilling to travel. *Plantronics*, Dkt. 45, at 9-10. Likewise, the district court here found that Apple's Austin office provided a significant local interest, without finding that Apple conducts any business related to the accused products and features from that office. Pet. 29-32. But in *Plantronics*, the district court correctly acknowledged that the local-interest factor does not look at the parties' "significant connections to each forum writ large" but the connections between the venue and the suit. *Plantronics*, Dkt. 45, at 16. Because, in *Plantronics*, "the accused products and features were designed and developed in NDCA"—as they were in Apple's case—the district court found that the factor favored transfer. *Id.*

Other rulings by the district court have further undermined its treatment of the local-interest factor in this case. Here, the district court gave heavy weight to Apple's Austin campus, effectively treating it as equivalent to Apple's California headquarters and faulting Apple for supposedly trying to "minimize its local impact" in the Western

District of Texas. Appx27. But in an unrelated case where Apple is a third party, the district court recognized the "well-known" truth that Apple has its "strongest presence in California." *10TALES, Inc. v. TIKTOK Inc.*, No. 20-CV-00810, 2021 WL 2043978, at *3 (W.D. Tex. May 21, 2021). The district court even credited the local-interest factor in favor of transfer to the Northern District of California, based in part on Apple's location there. *See id.* at *5.

These inconsistencies underscore the outsized effect of the district court's legal errors. They are not one-off decisions applicable to a single case, but a pattern of legal errors necessitating this Court's intervention.

CONCLUSION

The Court should grant Apple's petition, vacate the district court's order, and remand with instructions to transfer this case to the Northern District of California.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit by using the appellate CM/ECF system on May 28, 2021.

I certify that all counsel of record in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

A copy of the foregoing was served upon the district court judge via FedEx:

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CERTIFICATE OF COMPLIANCE

The petition complies with the type-volume limitation of Fed. Cir. R. 21(b) because this petition contains 3717 words.

This petition complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this petition has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in Century Schoolbook 14-point font.

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