IN THE

United States Court of Appeals

FOR THE FEDERAL CIRCUIT

Case No. 21-147

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

BRIEF OF UNIFIED PATENTS, LLC AND ROKU, INC. AS *AMICI CURIAE* IN SUPPORT OF APPLE INC.'S PETITION FOR REHEARING AND REHEARING EN BANC

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CERTIFICATE OF INTEREST

(1) The full name of every entity represented in the case by the counsel filing the certificate.

Unified Patents, LLC and Roku, Inc.

(2) For each entity, the name of every real party in interest, if that entity is not the real party in interest.

None/not applicable.

(3) For each entity, that entity's parent corporation(s) and every publicly held corporation that owns ten percent (10%) or more of its stock.

For Unified Patents, LLC:
Parents: UP HOLDCO INC., Unified Patents Holdings, LLC, Unified Patents Acquisition, LLC, Unified Patents Management, LLC
No such public companies

For Roku, Inc: None/not applicable.

(4) The names of all law firms, partners, and associates that have not entered an appearance in the appeal, and (A) appeared for the entity in the lower tribunal; or (B) are expected to appear for the entity in this court.

None/not applicable.

(5) Other than the originating case number(s), the title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal.

None/not applicable.

(6) All information required by Federal Rule of Appellate Procedure 26.1(b) and (c) that identifies organizational victims in criminal cases and debtors and trustees in bankruptcy cases.

None/not applicable.

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IDENTITY AND INTEREST OF AMICI[1]

Unified Patents, LLC (Unified) is a membership organization. Its more than 250 members include Fortune 500 companies, startups, automakers, open-source developers, high-technology companies, industry groups, cable companies, banks, manufacturers, and cybersecurity companies.

Unified studies the ever-evolving business models, financial backings, and practices of NPEs. *See, e.g.*, Unified Patents, Q1 2021 Patent Dispute Report, ("Unified Q1 Patent Report") *available at* https://www.unifiedpatents.com/insights/2021/3/31/q1-2021-patent-dispute-report.

Unified has also studied the rapid transformation of the Western District of Texas into the leading patent litigation venue in the United States. *See* Unified Patents, *The Rise of the Super NPE and the Western District of Texas* (July 13, 2020), https://www.unifiedpatents.com/insights/2020/7/13/the-rise-of-the-super-npe.

Unified acts and litigates independently from its members, including Apple, or any other company. *See, e.g.*, *Unified Patents, LLC. v. Uniloc USA, Inc. et al.*, IPR2018-00199 Paper No. 33, 10 (PTAB May 31, 2019) (Unified members not real

[1] Petitioner-Defendant Apple, Inc. consents to the filing of this brief, while Respondent-Plaintiff Koss Corporation opposes the filing of this brief. Pursuant to Fed. R. App. P. 29(a)(4)(E), *amici curiae* state that no party's counsel authored this brief in whole or in part, that no party or party's counsel contributed money that was intended to fund preparing or submitting the brief, and that no person other than *amici curiae*, their members, or their counsel contributed money that was intended to fund preparing or submitting the brief.

parties in interest to *inter partes* reviews filed by Unified); *id.* (collecting PTAB decisions).

Unified has an interest in this case because it concerns a motion for transfer under 28 U.S.C. § 1404(a). Many of Unified's member companies have a principal place of business in one district and facilities in one or more other districts. Unified's members have an interest in avoiding litigation in inconvenient locations with no meaningful relationship to a particular dispute.

Roku, Inc. (Roku) is a pioneer of and world leader in streaming technology. Millions of people throughout the United States and around the world rely on Roku's streaming technology on a daily basis. Roku connects users to the content they love, enables content publishers to build and monetize large audiences, and provides advertisers with unique capabilities to engage consumers.

Roku has an interest in this case because it concerns a motion for transfer under 28 U.S.C. § 1404(a) — a provision on which Roku relies to ensure that cases can be adjudicated efficiently and fairly. Like Apple and many other companies, Roku's principal place of business is in Northern California, but it also has offices and facilities located around the world, including a facility in Austin. Like Apple, Roku has an interest in avoiding litigation in inconvenient locations with no meaningful relationship to the dispute.

ARGUMENT

The district court committed several errors in denying Apple's transfer motion. The panel failed to grapple with those errors, instead concluding with minimal analysis that Apple has not "shown entitlement to this extraordinary relief."

This case warrants rehearing en banc for two reasons. First, the district court's errors are not case-specific. Instead, they reflect a fundamental misunderstanding of the governing standard — in particular, a misunderstanding of the relevance of the convenience of willing party witnesses and of how to evaluate relative congestion of the two fora. These errors will recur repeatedly until this Court corrects them. Second, this Court has reached inconsistent conclusions in mandamus petitions arising from virtually indistinguishable facts.

Rehearing en banc is necessary to ensure that the outcome of a mandamus petition does not depend on panel assignment and to ensure that district courts resolve transfer motions consistently and reliably. This will reduce the inefficiencies associated with the transfer motion practice that has become so prevalent in patent cases filed in the Western District of Texas.

I. The District Court Committed Errors That Will Recur Unless Corrected.

The panel observed that "the district court's analysis was not free of error." That was an understatement. The district court fundamentally misapplied § 1404 in multiple respects.

A. The district court's "convenience of willing witnesses" analysis warrants en banc review.

The district court erred in holding that the "convenience of willing witnesses" factor weighed against transfer. (Op. 21). The correct analysis should have been simple. Neither party's witnesses are in Texas. Apple's key witnesses are in Northern California. Hence, Northern California is more convenient.

Yet the district court virtually disregarded the inconvenience to Apple's witnesses. It gave two primary reasons: first, the "convenience of party witnesses is given little weight" and second, Apple has a campus in Austin. Both rulings reflect an abuse of discretion that warrant reconsideration by the en banc court.

1. Convenience of party witnesses.

First, the district court asserted that the "convenience of party witnesses is given little weight." (Op. 16.) It cited no appellate precedent for that proposition, and none exists. Indeed, the mandamus panel rightly stated that the district court "improperly diminished the importance of the convenience of witnesses merely because they were employees of the parties." Panel Op. at 3. This is not the first time this Court has repudiated the district court's reasoning. *See In re Apple*, 818 F. App'x 1001, 1003 (Fed. Cir. 2020) (expressing "concern" with the same district court's reliance on the "discordant proposition that the convenience of party witnesses is given 'little weight.'").

The district court's reasoning on this issue is indefensible. There is no reason to disregard the inconvenience to a witness merely because the witness's employer has been sued. Courts are rightfully concerned about the convenience of non-party witnesses involuntarily dragged into a dispute. But that concern does not justify giving the convenience of party witnesses less weight. Apple, too, has been involuntarily sued. Having made Apple a party in West Texas against Apple's will, Koss cannot claim that the court should ignore the inconvenience to Apple's employee-witnesses.

Indeed, the convenience to party witnesses should be given elevated consideration in the transfer analysis for two reasons. First, party witnesses are generally more likely to testify. If this case goes to trial, Apple would almost certainly put its own witnesses on the stand. By contrast, litigants frequently identify local witnesses at the transfer stage with no realistic likelihood that they will actually be called to testify at trial.

Second, the Federal Rules already protect non-party witnesses from inconvenience. A court may subpoena a witness to attend trial only if the witness works or lives in the state or within 100 miles. Fed. R. Civ. P. 45(c)(1)(A). To elevate the convenience of non-parties over parties in the transfer analysis results in double-counting. Given that party employees are the only people at risk of

involuntarily traveling thousands of miles to attend trial, their convenience should be entitled to the strongest consideration — not marginalized.

The district court's "party witnesses" rule artificially skews the analysis against transfer. In every § 1404 case, the plaintiff will have chosen the forum and the defendant will be the movant. So, in practice, "inconvenience to party witnesses" means "inconvenience to the *defendant*'s witnesses." Disregarding that inconvenience puts a heavy thumb on the scale against transfer.

This issue warrants review by the en banc court. In case after case, forum-shopping plaintiffs sue out-of-state defendants like Apple in the Western District of Texas. In many of those cases, convenience of party witnesses warrants transferring the case. In those cases, the district court justifies keeping the case in Texas by ignoring the convenience of party witnesses. This error will recur unless corrected by the en banc court.

2. Possibility of telework

The district court "strongly believe[d] that the convenience of [Apple's] new Austin facility, along with its existing Austin facilities, greatly minimizes the time that Apple's employees are removed from their regular work responsibilities." (*Id.* at 19.) This reasoning is wrong, and the en banc court should repudiate it.

The district court's reasoning collapses § 1400(b) venue analysis and § 1404(a) transfer-for-convenience analysis. Venue is proper where the defendant is

incorporated or has a "regular and established place of business." 28 U.S.C. § 1400(b); *TC Heartland v. Kraft Foods Grp. Brands*, 137 S. Ct. 1514 (2017). Here, Apple's Austin campus — a "regular and established place of business" — is the basis for venue.

The transfer-for-convenience analysis, which is separate from the venue question, comes into play only in cases where venue is proper. Using the presence of a "regular and established place of business" to negate the consideration of willing party witness convenience in a transfer-for-convenience motion would serve to remove the willing witness convenience consideration from the transfer-for-convenience balancing test.

Further, and contrary to the district court's reasoning, the presence of a campus in Texas does *not* establish that it is convenient for Apple's California witnesses to be required to travel over 1500 miles to Texas. First, the convenience factor is not about having a place to work. People have responsibilities at home, such as child care. And travel takes time. The presence of a campus in another city does not eliminate the inconvenience of leaving home.

Second, it is unrealistic that Apple employees' efficiency will not be impaired. Waco is over 100 miles, a two hour drive, from Austin. There is no way witnesses, on the cusp of testifying, could telework from Austin, far from the courthouse. Out-

of-state witnesses go to Waco, prepare for their testimony, wait to be called, testify, and depart.

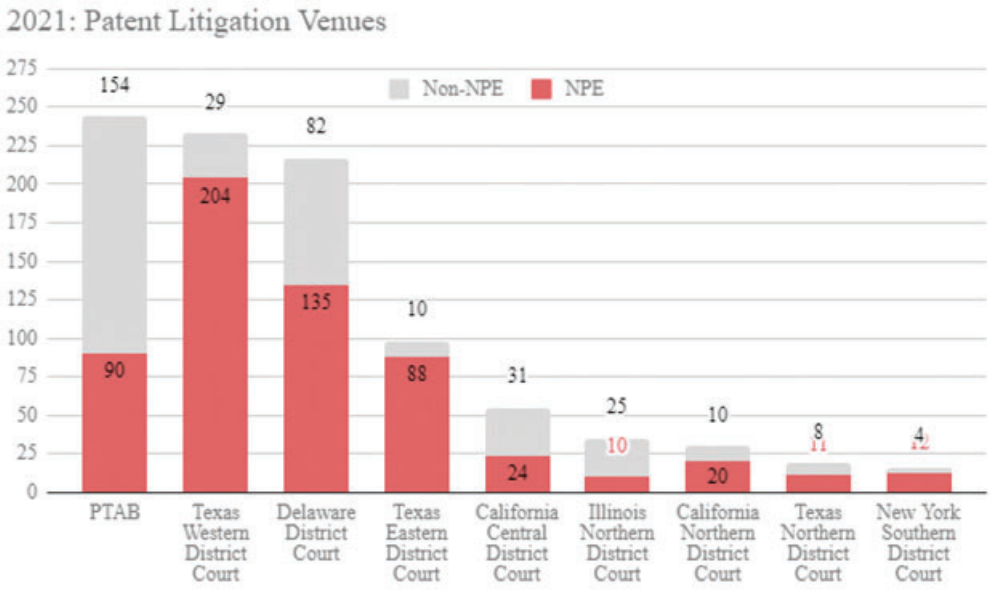
Third, relying on a company's brick-and-mortar presence in an area far-removed from an employee's home to mute inconvenience under the rubric of telework makes little sense. Anybody can telework, whether it happens from a hotel, a visiting office in a law firm, or an employer's facilities, far from her workplace. Thus, if the ability to telework were to be considered as the district court has done here, it could be applied to negate the inconvenience every witness experiences when she testifies in a distant venue.

This error, too, warrants correction by the en banc court. Many tech companies—including *amicus* Roku—are based in other jurisdictions but have campuses in Austin. Unless the en banc court corrects this error, this district court can use those Austin campuses as a pretext to deny transfer in every case.

B. The District Court's Time-to-Trial Analysis Warrants En Banc Review.

Plaintiffs now file one-quarter of all patent cases in the Western District of Texas. *See* Unified Q1 Patent Report. To be precise, 233 of the 937 new U.S. District Court patent cases were assigned to a judge in the Western District during the first quarter of 2021. *Id.* Two hundred thirty-three is an astounding number of cases in three months, given that only 120 patent cases were filed in the Western District in 2016 and 2017, combined. *See* Docket Navigator, *Analysis of Patent*

Litigation in the Western District of Texas 4 (July 8, 2020), https://brochure.docketnavigator.com/analysis-of-patent-litigation-in-the-western-district-of-texas/.



Despite this vast growth, the district court concluded that the court congestion factor weighed against transfer. (D. Ct. Op. 25.) Koss argued that the Waco Division's Order Governing Proceedings would lead to a more expeditious trial, and that trial was thirteen months away. (*Id.*) The Court deemed itself "convinced by Koss's assessment of the respective time to trial of WDTX and NDCA." (*Id.*)

This reasoning is directly contrary to this Court's precedent. In a case involving the same transferor and transferee districts and the same defendant, the Court stated: "[A] court's general ability to set a fast-paced schedule is not particularly relevant to this factor." *Apple*, 979 F.3d at 1344; *accord In re Adobe, Inc.*, 823 F. App'x 929, 932 (Fed. Cir. 2020). "Indeed, a district court cannot merely

set an aggressive trial date and subsequently conclude, on that basis alone, that other forums that historically do not resolve cases at such an aggressive pace are more congested for venue transfer purposes." *Apple*, 979 F.3d at 1344. "This is particularly true where, like here, the forum itself has not historically resolved cases so quickly." *Id.* Mandamus is warranted when, as here, a district court disregards circuit precedent.

In addition, the number of patent cases in the Waco division exceeds that number for the entire Northern District of California. (Mandamus Pet. 33 (citing Appx219).) The decision below discounts, but does not question, the relevance of this discrepancy. (Appx25-26.)

This issue warrants rehearing en banc. The district court's actions, in this and many other cases, have profoundly distorted patent litigation. Litigants will continue to flock to the Western District of Texas and take advantage of the court's faulty reasoning until the en banc court intervenes.

II. Rehearing En Banc is Warranted to Harmonize This Court's Case Law.

As the petition for rehearing en banc recounts, this Court has heard a steady stream of mandamus petitions seeking review of the Waco Division's denials of transfer motions. Pet. 14-22. Some have been granted; others, on virtually indistinguishable facts, have been denied. *Id.* In this case, for instance, the district court made several errors that, in other cases, have resulted in mandamus petitions

being granted. Pet. 18-21. The panel did not attempt to defend the district court's reasoning or reconcile its decision with prior cases. Instead, it merely summarized the district court's reasoning, observed that the "district court's analysis was not free of error," but then declared that "[e]ven under these circumstances," Apple has not "shown entitlement to this extraordinary relief." Op. at 2-3.

As a result of this Court's inconsistent case law, it is impossible to tell, in any given case, whether a mandamus petition will be granted or denied. In case after case, the district court makes the same errors, such as wrongly ignoring the convenience of party witnesses and wrongly relying on its unrealistic trial schedules. The defendant then seeks mandamus review, and the outcome depends on the random panel draw.

This situation is untenable. The current uncertainty is wasting the time and resources of litigants, the Western District of Texas, and this Court.

First, the current uncertainty is yielding recurrent litigation on where to litigate — the most unedifying form of litigation. In case after case, the parties litigate § 1404 motions, with dueling briefs, declarations, and witnesses. In many cases, the witnesses have no intention of testifying and are merely proffered for purposes of keeping the case in Texas. In case after case, the district court denies the motion, yielding a petition for a writ of mandamus and a second set of briefs in this Court. Because this Court reaches inconsistent conclusions on indistinguishable

facts, the parties are forced to relitigate the same issues in case after case. The result is expensive and wasteful litigation in both the district court and this Court.

In addition, the current uncertainty yields wasteful district court litigation. The Western District of Texas does not stay patent cases pending disposition of transfer motions, so the parties must litigate under the Western District of Texas's rules, under the shadow of a potential mandamus decision transferring the case to a different court with a different set of rules. If the mandamus petition is granted, the parties must abandon their efforts in the Western District of Texas and engage in time-consuming efforts to transition the case. This is a waste of everyone's time and money.

The Court should put an end to this situation by granting rehearing en banc and clarifying the law. The Court should set clear ground rules so that parties know where lawsuits will be heard, rather than forcing parties to relitigate the same transfer motion again and again.

CONCLUSION

The petition for rehearing or rehearing en banc should be granted.

Dated: September 17th, 2021

Respectfully submitted,

/s/ Alexander J. Hadjis

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CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limitation of Fed. Cir. R. 35(g)(3) because the brief contains 2,573 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b)(2).

This document 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 document has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in 14-point Times New Roman Font.

/s/ Alexander J. Hadjis

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of September, 2021 a true and correct copy of the foregoing Brief was served via the court's CM/ECF system.

/s/ Alexander J. Hadjis