No. 2021-___

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

IN RE INTEL CORPORATION,

Petitioner.

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in Case No. 1:19-cv-977, Judge Alan D. Albright

PETITION FOR A WRIT OF MANDAMUS

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December 1, 2020

CERTIFICATE OF INTEREST

Counsel for Petitioner Intel Corporation certifies the following:

1. Represented Entities. Fed. Cir. R. 47.4(a)(1). Provide the full names of all entities represented by undersigned counsel in this case.

Intel Corporation

2. Real Party in Interest. Fed. Cir. R. 47.4(a)(2). 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.

3. Parent Corporations and Stockholders. Fed. Cir. R. 47.4(a)(3). 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.

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).

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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).

VLSI Technology LLC v. Intel Corp., No. 6:19-cv-00254 (W.D. Tex.); *VLSI Technology LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.); *VLSI Technology LLC v. Intel Corp.*, No. 6:19-cv-00256 (W.D. Tex.).

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.

Dated: December 1, 2020

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STATEMENT OF RELATED CASES

This is a petition for a writ of mandamus following the district court's retransfer of a patent infringement suit brought by Respondent VLSI Technology LLC ("VLSI") against Petitioner Intel Corporation ("Intel") from the Western District of Texas's Austin Division to the District's Waco Division. That suit comprises three cases that are consolidated for pretrial purposes: (1) *VLSI Technology LLC v. Intel Corp.*, No. 6:19-cv-00254 (W.D. Tex.); (2) *VLSI Technology LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.); and (3) *VLSI Technology LLC v. Intel Corp.*, No. 6:19-cv-00256 (W.D. Tex.). The retransfer order that is the subject of this mandamus petition pertains to Case No. 6:19-cv-00254. Appx1.

No other appeal in or from the same proceedings was previously before this or any other appellate court. Counsel for Intel are not aware of any cases that could directly affect or be directly affected by the Court's decision in this matter.

JURISDICTIONAL STATEMENT

This petition seeks a writ of mandamus to a district court in a patent infringement action. This Court has jurisdiction under 28 U.S.C. §§1295 and 1651(a). *In re Princo Corp.*, 478 F.3d 1345, 1351 (Fed. Cir. 2007).

STATEMENT OF RELIEF SOUGHT

Intel respectfully requests that the Court grant this petition and reverse the ruling of the U.S. District Court for the Western District of Texas retransferring the case from the Austin Division to the Waco Division.

STATEMENT OF ISSUE PRESENTED

The district court previously granted Intel's motion to transfer this case from Waco to Austin based on its determination that Austin is the "clearly more convenient" forum. The issue presented here is whether the district court clearly and indisputably abused its discretion by ***retransferring*** this case to Waco because the Austin courthouse has temporarily continued jury trials due to COVID-19, and the district court nonetheless wishes to proceed with a jury trial in January 2021.

INTRODUCTION

As federal and state courthouses across the country—including in the Western District of Texas—are closing their doors for jury trials in response to surging COVID-19 infection rates, the district court reopened the Waco courthouse and transferred this case to Waco for the sole purpose of rushing to trial in January 2021. The district court did this notwithstanding that it had previously transferred the case ***from Waco to Austin*** based on its finding that Austin is "clearly more convenient" because Austin, unlike Waco, has substantial connections to this case and a strong localized interest in deciding it. Perhaps recognizing that retransfer to Waco is not

permissible under 28 U.S.C. §1404(a), the district court relied instead on Federal Rule of Civil Procedure 77(b) and its "inherent authority." But neither provides a legal basis for retransfer, and the district court clearly and indisputably abused its discretion in holding otherwise.

First, the district court failed to apply the correct legal standard. Retransfer is permitted under Fifth Circuit law only when "unanticipatable post-transfer events frustrate the original purpose for transfer," *In re Cragar Indus., Inc.*, 706 F.2d 503, 505 (5th Cir. 1983), and retransfer would promote the private and public interest factors under §1404(a). Although the district court summarily stated that its "decision to move the trial to the Waco division is completely consistent with the guidance provided in *Cragar*," Appx7, it did not meaningfully apply the *Cragar* standard. Retransfer is not warranted under *Cragar* because the Austin courthouse's temporary closure due to COVID-19 did not frustrate the district court's original purpose in transferring the case to Austin, which was to allow this case to be litigated and decided in Austin rather than Waco because of Austin's strong connection to the case. That can still happen when the Austin courthouse reopens for jury trials.

In ordering retransfer to Waco, the district court did not even address §1404(a). But previously, when transferring this case from Waco to Austin, the district court determined under §1404(a) that Austin is "clearly more convenient." As the district court explained at that time, "the Austin division has a greater

localized interest" in deciding this case because "[t]he patents-in-suit were all invented in Austin, primarily by residents of Austin, and at companies based in Austin," and "Intel employs a significant number of people working in Austin." Appx213-214. Those facts are just as true today as they were at the time of the original transfer ruling. If anything, the present circumstances favor Austin ***more now*** because COVID-19 infection rates are currently worse in Waco than Austin. It would greatly contravene the public interest to force the parties, witnesses, court staff, and Waco jurors to risk their health and safety to try a case in Waco that implicates what the district court previously determined are issues relating to Austin. This is especially true where nothing in the case is so time-sensitive as to require a January 2021 trial, rather than trial a few months later.

Second, the district court erred by interpreting Rule 77(b) as authorizing retransfer. Rule 77(b) simply provides that "trial[s] … must be conducted in open court" and "no hearing[] … may be conducted outside the district unless all the affected parties consent." Yet the district court interpreted the Rule as permitting it to hold trial anywhere inside the district even ***without party consent and without considering §1404***. This atextual reading conflicts with both *Cragar* and §1404, which establish the rules governing transfer to another district or division. The district court improperly applied Rule 77(b) to circumvent the legal framework

established by Congress and purported to create statutory authority where none exists.

Third, the district court further abused its discretion by invoking its "inherent authority" to justify retransfer. While a court has broad discretion to manage its docket, it may not use its inherent powers to evade controlling law and statutory authority, as the court did here. In any event, the district court's articulated reasons for retransferring this case to Waco do not withstand scrutiny. The court found, for example, that the Austin courthouse's closure is "indefinite" in scope and that the court could not wait for that courthouse to reopen because doing so would create a "backlog" in its cases. But in concluding that the Austin courthouse will be closed "indefinite[ly]," the court did not consider all the facts, including that vaccines are on the horizon and that the Austin courthouse may reopen in a matter of months. Nor did the court consider that the pandemic is currently worse in Waco than Austin. There is no reason to rush to trial when the public health crisis counsels against conducting a jury trial at the height of the COVID-19 pandemic.

To correct the district court's abuse of discretion, this Court should grant mandamus and reverse the district court's retransfer ruling. On remand, the district court can continue the trial until the Austin courthouse reopens.

STATEMENT OF FACTS

A. VLSI Files Suit In Delaware, Dismisses That Suit, And Refiles In The Waco Division Of The Western District Of Texas.

VLSI is a Delaware-based non-practicing entity formed in 2016 by Fortress Investment Group LLC, a New York hedge fund. Appx122. On March 1, 2019, having already sued Intel in California and Delaware for alleged infringement of thirteen patents, VLSI filed a third suit against Intel in Delaware asserting six additional patents. Appx320-396.

On April 11, 2019, after receiving a series of unfavorable rulings and facing the possibility of consolidation with its first-filed Delaware case, VLSI voluntarily dismissed the second-filed Delaware action and refiled the case as three separate actions (asserting the same six patents and two others) in the Waco Division of the Western District of Texas. Appx397; Appx9-116. VLSI's primary justification for refiling in Waco was that it had recently learned of Judge Albright's appointment to the Western District and that Judge Albright, who serves as the Waco Division's only judge, has significant "experience in patent infringement litigation." Appx153.

On May 20, 2019, Intel moved to transfer the Texas cases to Delaware. Appx117-143. The district court denied Intel's motion and consolidated the three cases for pre-trial purposes. Appx172-187; Appx204.

B. The District Court Transfers The Case From Waco To Austin, Finding That Austin Is "Clearly More Convenient."

Intel then moved under §1404(a) for intra-district transfer from the Waco Division to the Austin Division, arguing that, to the extent any division within the Western District had a nexus to the case, it was Austin. Appx188-203. On October 7, 2019, the district court granted Intel's motion, finding Austin "clearly more convenient" than Waco for several reasons. Appx205-214. For example, the court found that "the Austin division has a greater localized interest" in deciding the case given that "[t]he patents-in-suit were all invented in Austin, primarily by residents of Austin, and at companies based in Austin," and "Intel employs a significant number of people working in Austin." Appx209-214. Time-to-trial was ***not*** among the bases for the court's ruling.

After transferring to Austin, the district court scheduled trial in the first of the three cases for November 2020. Appx272.[1]

C. The Austin Courthouse Closes For Jury Trials Due To COVID-19, While The Waco Courthouse Reopens For Jury Trials.

On March 13, 2020, the Chief Judge of the Western District of Texas continued all jury trials in the District—including in Austin and Waco—in light of COVID-19. Appx398-399. The Chief Judge extended that order ten times, most

[1] Consistent with his practice in other cases, Judge Albright retained the consolidated case after transferring to Austin. Appx214.

recently continuing all jury trials in light of the "thousands of confirmed cases of coronavirus within the Western District of Texas" and the "severity of the risk" presented to the "health and safety of" the public, court staff, litigants, counsel, and jurors. Appx400-402. As the order observes, matters are only getting worse: "Texas has seen an increase in COVID-19 cases from 63 on March 15, 2020, to 1,027,000 as of November 18, 2020." Appx400.

The Chief Judge's order allows a courthouse to remain open for jury trials only if the senior-most judge within the division in which the courthouse sits "determine[s] jury trials can be safely conducted" and enters an order "making those findings and resuming jury trials for the division." Appx401. Relying on that provision, Judge Albright—the only (and, thus, most senior) judge in the Waco Division—issued an order on August 18, 2020, resuming jury trials in Waco. Appx405-406. The order states that, at the time, "the county in which the Waco division sits and those from which it pulls jurors have seen a meaningful decline in new reported COVID-19 cases," "the Waco Division's counties have approximately just 2.3% of all cases in Texas," and "the Waco Division counties collectively have fewer cases than do a single county in Austin (Travis County)." Appx405.

The senior-most judges in the Austin Division have not entered an analogous order resuming jury trials there. Thus, the Austin courthouse—like many other federal and state courthouses around the country, including state, county, and

municipal courts in Waco, Appx400-404; Appx409-417; Appx732-734; Appx849-856; Appx865-871; Appx959-972—remains closed for jury trials.

D. The District Court Retransfers The Case To Waco.

As COVID-19 infection rates continued to surge, the district court noted at several hearings that the Austin courthouse might remain closed for jury trials in November 2020 (and thereafter), such that trial in this case might not proceed as previously scheduled. At a September 25, 2020 discovery hearing, the district court, at the urging of VLSI, contemplated retransferring to Waco, stating that if "it would even be colorable that a transfer should be done," the court would do so. Appx222-223. The court also noted its "ability to get to trial in Waco more quickly than what [it] might be able to do in Austin." Appx223.

On October 9, 2020, the district court requested briefing addressing whether the court had authority to hold trial in Waco, but instructed the parties not to analyze §1404(a). Appx269. Intel opposed a Waco trial, arguing that none of the facts forming the basis for the court's original transfer ruling had changed. Appx274-289. Intel also explained that retransfer was not permitted under *Cragar* because the Austin courthouse's temporary closure did not frustrate the purpose of the original transfer, which was to have this Austin-based case litigated and decided in Austin. Appx280-284. Intel further pointed out that COVID-19 infection rates were worse in Waco than Austin, and that it would contravene the public interest to force Waco

jurors to risk their safety to adjudicate a case implicating Austin's localized interests. Appx285. VLSI, by contrast, argued that the court could hold trial anywhere in the District, including Waco, under 28 U.S.C. §1404(b) and Federal Rule of Civil Procedure 77(b). Appx291-305.

The district court did not provide an opportunity for Intel to respond to VLSI's arguments. Instead, at an October 16, 2020 hearing, the court announced without hearing oral argument that "[w]e are going to trial on the 11th" of January 2021 in Austin, but that, "if Austin is not available in January because of COVID, then I'm going to handle the case in Waco because I'm going to make the determination that Austin is not a convenient location because it's not available." Appx308-309. Following that hearing, the court issued an order scheduling trial for January 11, 2021, in Austin. Appx319.

On November 20, 2020, the district court issued an "order transferring trial venue" and stating that, "if the Austin courthouse does not reopen with enough time to hold a January trial, the trial … will be held in Waco." Appx1; Appx8. The court stated that retransfer was warranted under Rule 77(b) and the court's "inherent power" to manage its docket. Appx3-6. The court did not rely on the *Cragar* standard governing retransfer, but stated in passing that its holding "is completely consistent with the guidance provided in *Cragar*." Appx7. The court also did not

mention §1404(a), or explain why the private and public interest factors no longer favor Austin, as it had previously found.

It is now December 1, 2020, and trial is scheduled to begin in January 2021. Given the district court's November 20, 2020 retransfer ruling, and with all signs pointing toward the Austin courthouse remaining closed in January 2021, it now appears this case is heading to trial in Waco. Intel thus promptly filed this petition.[2]

SUMMARY OF ARGUMENT

The district court clearly and indisputably abused its discretion by retransferring this case from Austin to Waco.

1. The district court failed to apply the correct legal standard. Retransfer is permitted only when unanticipatable post-transfer events frustrate the original purpose for transfer, *Cragar*, 706 F.2d at 505, and retransfer would promote the private and public interest factors under §1404(a). The district court did not meaningfully apply *Cragar*, and made no mention of §1404(a).

Nor could the court have found retransfer appropriate under the correct legal standard. The Austin courthouse's temporary closure due to COVID-19 did not frustrate the original transfer's purpose, which was to litigate this case in Austin

[2] On November 30, 2020, Intel moved to stay the district court's retransfer order pending this Court's mandamus review. Appx434-994. Intel also moved to continue the trial until the end of March 2021 due to the current state of COVID-19. Appx418-433.

rather than Waco because Austin—unlike Waco—has a strong connection to and interest in deciding the case. Austin's nexus to this case remains just as strong today as it was one year ago, and this case can be tried in Austin when the courthouse there reopens.

Moreover, under a §1404(a) analysis, the present circumstances favor Austin even more now than at the time of the original transfer ruling. Given that COVID-19 infection rates are currently worse in Waco than Austin, it would greatly contravene the public interest to force trial participants to risk their health and safety to try a case in Waco that implicates what the district court found were Austin issues.

2. The district court also clearly and indisputably erred in holding that Rule 77(b) provides a legal basis for retransfer. The court interpreted Rule 77(b) as authorizing it to hold trial anywhere inside the district ***without party consent and without applying §1404***. That reading is unsupported by the Rule's plain language and conflicts with both *Cragar* and §1404. The cases cited by the district court also do not support the district court's application of Rule 77(b) because none relied on Rule 77(b) to order transfer.

3. The district court further abused its discretion by invoking its "inherent authority" to justify retransfer. A court's inherent power to manage its docket may not be used, as the district court did here, to circumvent controlling law and statutory authority. Moreover, the court's reasons for retransferring this case to Waco do not

withstand scrutiny. The court stated that it cannot practically or reasonably wait for the Austin courthouse to reopen because it does not know when that will be and wants to clear the "backlog" of trials created by COVID-19. But the court did not consider the imminence of vaccines, which may allow the Austin courthouse to reopen in a matter of months. Nor did it consider that the state of the pandemic is worse in Waco.

REASONS WHY THE WRIT SHOULD ISSUE

"Mandamus may be employed in exceptional circumstances to correct a clear abuse of discretion … by a trial court." *In re Calmar, Inc.*, 854 F.2d 461, 464 (Fed. Cir. 1988). Generally, three conditions must be satisfied: (1) the petitioner must demonstrate a clear and indisputable right to issuance of the writ; (2) the petitioner must have no other adequate method of attaining the desired relief; and (3) the court must be satisfied that the writ is appropriate under the circumstances. *Cheney v. U.S. Dist. Ct.*, 542 U.S. 367, 380-381 (2004). These hurdles, "however demanding, are not insuperable," *Cheney*, 542 U.S. at 381, and are satisfied here.

I. THE DISTRICT COURT CLEARLY AND INDISPUTABLY ABUSED ITS DISCRETION BY RETRANSFERRING THE CASE TO WACO.

A. Retransfer Is Appropriate Only Under The "Most Impelling And Unusual Circumstances."

Under Fifth Circuit law, the district court's original order transferring the case from Waco to Austin should have been treated as "the law of the case[.]" *Cragar*,

706 F.2d at 505. Once a transfer is ordered, a court "should not re-transfer 'except under the most impelling and unusual circumstances.'" *Id.* More specifically, retransfer is appropriate only when "unanticipatable post-transfer events frustrate the original purpose for transfer[.]" *Id.* By their very nature, such events are extremely rare. *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800, 819 (1988) (retransfer "should necessarily be exceptional"); *In re Mathias*, 867 F.3d 727, 729-730 (7th Cir. 2017) (retransfer motions are "highly unlikely to succeed"); *Hayman Cash Register Co. v. Sarokin*, 669 F.2d 162, 170 (3d Cir. 1982) (retransfer is not permitted "except in unusual circumstances").[3]

Even where *Cragar* is satisfied, retransfer must also promote the private and public interest factors under §1404(a), which include the local interest in having localized interests decided at home. *See JTH Tax, Inc. v. Mahmood*, 2010 WL 2175843, at *2 (N.D. Miss. May 27, 2010) (analyzing §1404(a) factors after finding *Cragar* standard was met).

B. The Temporary Closure Of The Austin Courthouse Does Not Warrant Retransfer.

In deciding to retransfer this case to Waco, the district court did not properly apply *Cragar* and failed to address §1404(a) at all. As explained below, neither

[3] Retransfer is also appropriate when the original transfer ruling is "manifestly erroneous." *Cragar*, 706 F.2d at 505. Nobody contends that is the case here.

Cragar nor §1404(a) permits retransfer to Waco under the circumstances here. The district court's retransfer decision was therefore a clear and indisputable error.

1. COVID-19 did not frustrate the purpose of the district court's original transfer to Austin.

While the Austin courthouse's temporary closure due to COVID-19 was unanticipatable, it did not frustrate the underlying purpose of the district court's original transfer order. The original ruling was ***not*** predicated on time-to-trial considerations. Rather, the court determined that this case should be litigated and decided in Austin because Austin has a strong nexus to the case, whereas Waco does not. Appx209-214. In making that determination, the court relied on the following facts:

- "Intel has a campus in Austin, but not in Waco." Appx209.
- "[S]eventeen of the eighteen living inventors reside in Austin while none reside in Waco[.]" Appx211.
- "The patents-in-suit were all invented in Austin, primarily by residents of Austin, and at companies based in Austin[.]" Appx213.
- "[T]he Austin Division has a greater localized interest" in having this case decided there. Appx214.

These facts remain true today. Thus, the parties' and the public's interest in trying this case in Austin is as strong as it was when the district court originally transferred the case there. By contrast, Waco has no connections to this case other than the fact that VLSI filed suit in Waco after dismissing the same suit in Delaware.

That the parties may have to wait longer than originally anticipated to try the case in Austin does not impact the original transfer order's purpose, let alone frustrate it. As compared to Waco, Austin ***still*** has far more ties to this litigation and a "greater localized interest" in deciding the case. Thus, under controlling law, the district court was not permitted to retransfer the case to Waco after having already transferred the case from Waco to Austin. *See Emke v. Compana LLC*, 2009 WL 229965, at *4 (N.D. Tex. Jan. 30, 2009) (denying retransfer where certain bases for original transfer ruling—i.e., "location of witnesses," and "location of documentary evidence"—had not changed).[4]

2. The district court failed to properly apply the controlling *Cragar* standard.

Rather than engage with the legal analysis that *Cragar* requires, the district court summarily stated that its ruling "is completely consistent with the guidance provided in *Cragar*" because "the closure of the Austin courthouse due to the pandemic has frustrated the original purpose of transferring the case to Austin." Appx7. But the court provided no explanation as to what the original transfer

[4] This case is thus different from the few cases where courts have ordered retransfer. *E.g.*, *JTH Tax*, 2010 WL 2175843, at *2 (retransferring where "original purpose of the transfer—consolidation of the two actions for judicial economy—[was] frustrated"); *Plywood Panels, Inc. v. M/V Thalia*, 141 F.R.D. 689, 690-691 (E.D. La. 1992) (retransferring where third-party complaints filed after original transfer presented personal jurisdiction problems in transferee forum).

ruling's purpose was or how it was supposedly frustrated by the Austin courthouse's temporary closure. *See id.*

The district court's brief mention of the *Cragar* standard does not amount to a proper application of the law—particularly given the above analysis showing that, consistent with the original transfer order, the parties and the public still have a strong interest in having this case decided in Austin rather than Waco. *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 958-959 (Fed. Cir. 1986) (court's "fleeting reference" to correct legal standard did not show court "in fact properly analyzed" facts under that standard). This failure alone constitutes clear and indisputable error. *In re Nitro Fluids L.L.C.*, 978 F.3d 1308, 1312 (Fed. Cir. 2020) ("[E]rror concerning the legal standard for assessing whether transfer is required … warrants mandamus relief[.]"); *In re Cray Inc.*, 871 F.3d 1355, 1358-1359 (Fed. Cir. 2017) (mandamus appropriate where "trial court abused its discretion by applying incorrect law"); *Hayman*, 669 F.2d at 170 (granting mandamus where court misapplied retransfer standard).

After failing to apply *Cragar*, the district court attempted to distinguish *Cragar* on its facts. Appx7-8. But the court's identification of minor factual differences between *Cragar* and this case does not allow it to evade *Cragar*'s reach. *Ariosa Diagnostics, Inc. v. Sequenom, Inc*., 809 F.3d 1282, 1288 (Fed. Cir. 2015) (Dyk, J., concurring) (district court may not "confine [controlling precedent] to its

facts or otherwise cabin a clear statement" from an appellate court). *Cragar* is binding precedent establishing the legal standard that ***must*** be applied to ***all*** retransfer decisions, not just those that occur under identical circumstances. *Cragar*, 706 F.2d at 505.

In any event, the district court's factual distinctions between *Cragar* and this case in no way suggest—much less establish—that the Austin courthouse's temporary closure frustrated the original transfer order's purpose. For example, the fact that the plaintiff in *Cragar* requested both the original transfer and the retransfer, whereas here VLSI "did not move to transfer to Austin or back to Waco," simply has no bearing on the substantive analysis. *See* Appx7.[5] Similarly, the fact that the plaintiff in *Cragar* sought to retransfer for tactical reasons, whereas here the court decided to "mov[e] the trial as a result of the pandemic," says nothing about whether the pandemic frustrated the original transfer order's purpose of litigating this Austin-related case in Austin (which, as explained above, it did not). *See* Appx7-8.

Finally, the fact that *Cragar* involved a request for an ***inter***-district retransfer to a different judge, whereas here the court ordered an ***intra***-district retransfer where "the judge remains the same," is irrelevant. *See* Appx8. The same legal standard set forth in *Cragar* applies to both types of retransfers. *See Gorzynski v. JetBlue*

[5] Although VLSI did not formally move for retransfer, it did urge the district court to retransfer the case to Waco. *Supra* pp. 9-10.

Airways Corp., 10 F. Supp. 3d 408, 412-413 (W.D.N.Y. 2014) (applying *Cragar* to intra-district retransfer). Moreover, the only reason the same judge would preside over this case in either Austin or Waco is because that judge originally decided to transfer the case to himself rather than to another judge in Austin. Appx214. That unilateral action by the district court does not somehow make retransfer appropriate now. *See In re Flight Transp. Corp. Sec. Litig.*, 764 F.2d 515, 516-517 & n.1 (8th Cir. 1985) (granting mandamus where judge sitting by designation in one district sought to transfer case to himself in his home district for "trial only").

3. The private and public interest factors do not support retransfer under §1404(a).

Even if the *Cragar* standard were met here, the district court was still required to consider the private and public interest factors under §1404(a). *Supra* p. 14; Appx285-286. The court's failure to analyze these factors, or perform ***any*** §1404(a) analysis in its retransfer decision, was a clear and indisputable error. *Nitro Fluids*, 978 F.3d at 1312; *Cray*, 871 F.3d at 1358-1359; *Hayman*, 669 F.2d at 170.

Section 1404(a) prohibits retransferring this case to Waco. As discussed above, the district court found in its original transfer order that Austin is "clearly more convenient" than Waco under §1404(a). Appx214. That determination was correct, and the facts on which the district court relied remain true today: Austin continues to have a greater localized interest in deciding this case, including because Intel still has a campus in Austin, the patents-in-suit still originated in Austin at

companies based in Austin, and nearly all the named inventors still reside in Austin. *Supra* p. 15. By contrast, none of the factors the district court previously considered favors transferring to Waco.

Although the district court's retransfer order states that moving the case to Waco for trial will "ensure a just, speedy, and inexpensive resolution of the dispute," Appx4, this Court has made clear that the "perceived ability to more quickly schedule a trial" in one forum over another cannot receive undue weight in a §1404(a) analysis. *In re Adobe Inc.*, 823 F. App'x 929, 932 (Fed. Cir. 2020) ("[E]ven without disturbing the court's suggestion that it could more quickly resolve this case based on its scheduling order, … the district court erred in giving this factor dispositive weight[.]"); *In re Apple Inc.*, 2020 WL 6554063, at *8 n.5 (Fed. Cir. Nov. 9, 2020) ("[W]here '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[.]'").

Even if it were appropriate to give significant weight to time-to-trial considerations in a §1404(a) analysis, such considerations still would not justify retransfer here. The only reason the case can (as of now) proceed to trial in Waco in January 2021 is that the judge—as the only district judge in Waco—reopened the Waco courthouse during the COVID-19 pandemic notwithstanding that many other courthouses, including the federal courthouse in Austin and state courthouses in

Waco, remain closed. *Supra* pp. 8-9. In so doing, the district court ensured that considering time-to-trial would favor retransfer. But a transfer ruling cannot turn on a court's ***own*** action that influences the very factor (e.g., time-to-trial) the court considers in its analysis. *Apple*, 2020 WL 6554063, at *7 ("[T]he district court legally erred in concluding that the merits-related steps it had taken weighed heavily against transfer. A district court's decision to give undue priority to the merits of a case over a party's transfer motion should not be counted against that party in the venue transfer analysis.").

In any event, time-to-trial considerations cannot outweigh the other factors the district court already found favor Austin over Waco, as discussed above. If anything, the present circumstances favor Austin ***more now*** because the COVID-19 risks are currently far worse in Waco than Austin:

- The rolling seven-day average rate of new cases as of November 25, 2020, in Travis County (Austin) was 24.93 per 100,000 residents, whereas the average rate of new cases in McLennan County (Waco) was 71.59 per 100,000 residents. Appx456-457; Appx625-646.

- As of November 25, 2020, the infection rate in Travis County (Austin) was 226.57 per 100,000 residents, while it was 529.73 per 100,000 residents in McLennan County (Waco). Appx456; Appx648-673.

- Waco-McLennan County hospitals have been flooded with patients testing positive for coronavirus and are now pushed to their limits with more than 92% of ICU beds occupied. Appx464-465; Appx697-698; Appx891-900; Appx991-992.

Indeed, state courthouses in Waco have taken these troubling circumstances seriously, and have continued jury trials due to the current state of the pandemic. Appx849-853; Appx870-874.[6]

Thus, §1404(a)'s "interest of justice" factor now strongly favors Austin over Waco. Indeed, it would contravene the public interest to have Waco jurors decide a case that the district court found implicates Austin issues in the best of times. It would be especially detrimental to the public interest to require Waco jurors to risk their health and safety in order to do so during a public health crisis. *See In re Volkswagen AG*, 371 F.3d 201, 206 (5th Cir. 2004) ("[J]ury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation."); *cf. Asbury v. Germania Bank*, 752 F. Supp. 503, 505 (D.D.C. 1990) (retaining in the District of Columbia case involving "Illinois parties, Illinois witnesses, Illinois facts, and Illinois law … borders on a violation of due process").

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[6] Other courts in Texas are likewise temporarily closing and/or continuing trials in light of current conditions: the Austin courthouse remains closed for jury trials, the Supreme Court of Texas has ordered all state courts not to conduct in-person jury proceedings absent prior approval, Appx400-404; Appx849-853; Appx959-960, and courts in the Eastern District of Texas have continued jury trials following a recent trial where jurors, court staff, and both parties' counsel tested positive for COVID-19 despite safety precautions. Appx827-839; Appx859-868 (mistrial granted in Sherman following COVID-19 outbreak among trial participants); Appx414-417 (November 20, 2020 order by Judge Gilstrap continuing all jury trials until March 1, 2021, due to "dangerously rising rate of increase in COVID-19 cases and swelling hospitalizations in this district and across the country").

And nothing in this case requires a rush to trial in January 2021—all the issues can be decided a few months later, when conditions seem likely to improve, e.g., because of vaccine distribution. In sum, under §1404(a) this case belongs in Austin, where it can be tried when it would be safe to do so.

C. The District Court's Rationale For Retransfer Is Unsupportable.

Rather than apply the governing legal standards, the district court relied on Federal Rule of Civil Procedure 77(b) and its "inherent power" to manage its docket to justify retransfer. Neither provides a legal basis for retransfer, and, even if they did, the district court still erred in finding a factual basis for retransfer under the circumstances here.

1. Rule 77(b) does not provide a basis for retransfer.

Rule 77(b) is titled "Conducting Business; Clerk's Authority; Notice of an Order or Judgment" and provides:

> Every trial on the merits must be conducted in open court and, so far as convenient, in a regular courtroom. Any other act or proceeding may be done or conducted by a judge in chambers, without the attendance of the clerk or other court official, and anywhere inside or outside the district. But no hearing—other than one ex parte—may be conducted outside the district unless all the affected parties consent.

Fed. R. Civ. P. 77(b). The Rule is straightforward. It states that: (1) trials must be held in open court; (2) proceedings ***other than trials*** may be held anywhere; and (3) hearings may be held outside the district only if the parties consent.

Yet the district court interpreted Rule 77(b) as supporting a much broader—and unenumerated—proposition: that ***trial*** can be held ***anywhere*** in the district ***even without*** party consent. Appx4. That interpretation finds no support in the Rule's plain language and appears to mix and match language from each of the Rule's three mandates. It simply cannot be correct. *See Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1495 (2020) (court should not "usually read into statutes words that aren't there").[7]

Not only does the district court's reading of Rule 77(b) conflict with the Rule's plain language, it is also foreclosed by §1404. Section 1404 permits a district court to do one of three things in terms of transferring a case for trial:

- First, the court may try a case in ***another division*** of the same district (by transferring there) ***with both parties' consent***. 28 U.S.C. §1404(b) ("Upon motion, consent or stipulation of all parties, any action, suit or proceeding of a civil nature or any motion or hearing thereof, may be transferred, in the discretion of the court, from the division in which pending to any other division in the same district."); *see In re Gibson*, 423 F. App'x 385, 389

[7] The district court cited Rule 1 to support its interpretation of Rule 77(b), but Rule 1's general guidance on interpreting and applying other Rules does not provide a basis to rewrite Rule 77(b). *Harper v. City of Dallas, Tex.*, 2017 WL 3674830, at *15 (N.D. Tex. Aug. 25, 2017) ("Rule 1's general direction on how to construe, administer, and apply the Federal Rules[] … is not a license to ignore the more specific rules' commands[.]").

(5th Cir. 2011) ("Subsection (b), by its terms, applies only when all of the parties consent."); Wright & Miller, 15 Fed. Prac. & Proc. Juris. §3842 (4th ed.) ("Section 1404(b) applies only when all parties agree to the transfer.").

- Second, the court may try a case in ***another division*** of the same district (by transferring there) without party consent, but only ***if justified by the public and private interest factors***. 28 U.S.C. §1404(a) ("For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division."); *see In re Radmax, Ltd.*, 720 F.3d 285, 288 (5th Cir. 2013) ("[T]he §1404(a) factors apply as much to transfers between divisions of the same district as to transfers from one district to another.").
- Third, the court may try a case anywhere ***within the division***. 28 U.S.C. §1404(c) ("A district court may order any civil action to be tried at any place within the division in which it is pending[.]"); Wright & Miller, §3842 (Section 1404(c) "cannot be used to transfer any matter outside the division in which it was pending").

None of these provisions allows a court to do what the district court did here: try a case ***in <u>another</u> division*** (i.e., Waco instead of Austin) ***<u>without</u> either the consent of all parties or consideration of the private and public interest factors***.

By reading Rule 77(b) to allow transfer under such circumstances, the district court purported to create statutory authority that simply does not exist. The court's ruling thus cannot be correct, for "a rule of procedure should not be construed to … enlarge the statutes pertaining to venue[.]" *Flight Transp.*, 764 F.2d at 516-517 (Rule 77(b) supports the conclusion that §1404(a) does not permit "a transfer for purposes of trial only").

The cases cited by the district court likewise do not support its interpretation of Rule 77(b). *See* Appx4. None involves retransfer, and none holds that Rule 77(b) provides a basis for transferring a case. On the contrary, five of the six cited cases analyze the propriety of transfer ***under §1404(a)***. *See Rios v. Scott*, 2002 WL 32075775, at *5 (E.D. Tex. July 13, 2002) (granting §1404(a) motion where "[b]oth convenience and public interest factors decidedly favor the [transferee forum]"); *Morrow v. City of Tenaha Deputy City Marshal Washington*, 2008 WL 5203843, at *2 (E.D. Tex. Dec. 11, 2008) (denying §1404(a) motion where movant "made no showing" that transferor forum was "an inconvenient forum for the parties or witnesses"); *Cutler v. Austin*, 2012 WL 12904088, at *3 (E.D. Tex. Sept. 5, 2012) (denying §1404(a) motion "[a]fter considering all of the relevant factors"); *Transdata, Inc. v. Tri-County Elec. Coop., Inc.*, 2011 WL 13134895, at *4 (E.D. Tex. Aug. 18, 2011) (denying §1404(a) motion where movant "failed to show that the [transferee forum] is clearly more-convenient"); *Bishop v. C & P Trucking Co.*,

840 F. Supp. 118, 119-120 (N.D. Ala. 1993) (citing §1404(a) and transferring "in the interest of justice"). The sixth case cited by the district court noted that §1404(a) ***should*** have applied but for the movant's failure to raise it. *Alabakis v. Iridium Holdings, LLC*, 2007 WL 3245060, at *2 (D. Md. Nov. 1, 2007). Even so, that case does not support the district court's reasons for retransferring because the court there did ***not*** rely on Rule 77(b) to transfer the case—it ***denied*** a motion to reassign the case to a different judge in another division. *Id.*

In short, Rule 77(b) does not purport to—and, indeed, cannot—supplant *Cragar* and/or §1404(a). The district court's interpretation of Rule 77(b) as permitting it to retransfer this case to Waco without both parties' consent, and its reliance on the Rule to do precisely that, was therefore a clear and indisputable error.[8]

2. The district court's "inherent power" does not provide a basis for retransfer.

The district court also invoked its "inherent power" to manage its docket as a basis for retransfer. Appx5-6. The court identified no case holding that a district court's "inherent power" includes the power to retransfer but concluded that

[8] Under the district court's interpretation of Rule 77(b), it could have transferred the case to Austin without ever having performed a §1404(a) analysis. And yet, the court ***did*** perform such an analysis—and found that the private and public interest factors favor Austin over Waco. Thus, the district court's rationale for retransfer is inconsistent with its own prior transfer ruling.

retransferring the case to Waco was an appropriate exercise of its inherent powers because, in the court's view, it is a reasonable response to the specific problem of the Austin courthouse's temporary closure. *Id.* The district court's exercise of its inherent power in this manner was a clear and indisputable abuse of discretion.

It is well-established that a court's exercise of its inherent power "cannot contradict any express rule or statute[.]" *Dietz v. Bouldin*, 136 S. Ct. 1885, 1892 (2016). Although the district court stated that its decision to move the trial from Austin to Waco did "not contradict any express rule or statute," Appx6, it nowhere addressed §1404, which establishes the rules governing when a court may transfer a case to another district or division. And under §1404, an action must be tried in the division in which it is pending "absent an appropriate basis for transferring venue." *Bartronics, Inc. v. Power-One, Inc.*, 510 F. Supp. 2d 634, 636 n.2 (S.D. Ala. 2007). The district court clearly abused its discretion by invoking its inherent powers to circumvent this statutory authority, as well as *Cragar*. *Supra* pp. 13-23.

Even if the district court's retransfer decision did not conflict with §1404 and *Cragar*, it still would not be an appropriate exercise of the court's inherent powers because it is not a "reasonable response to a specific problem." *Dietz*, 136 S. Ct. at 1892. In concluding otherwise, the district court identified "the specific problem" as "the indefinite closure of the Austin courthouse" and stated "there is no foreseeable end to the COVID-19 pandemic." Appx5. But that premise is wrong.

The Austin courthouse will reopen for jury trials when it is safe to do so. By all accounts, that will happen in the foreseeable feature—when Austin's infection rates decrease sufficiently (e.g., after the winter season) and/or when a vaccine becomes available, which appears to be just on the horizon. This timeframe is not indefinite; it is likely to be only a few more months. Appx459-460; Appx467; Appx739-751; Appx755-788; Appx879-881; Appx987-989.[9]

The district court nonetheless dismissed the option of waiting for the Austin courthouse to reopen as not "practical or reasonable." Appx5. But the reasons provided by the district court all reflect a singular focus on holding a trial in January 2021. They do not justify conducting a trial in Waco in the midst of a surging pandemic.

First, the district court stated that the trial date in this case has already been delayed by two months and "the pandemic has created a backlog of trials such that delaying one trial further delays other trials," including in the other VLSI cases against Intel. Appx5-6. But the district court's backlog does not provide a basis to retransfer this case to Waco in contravention of binding authority and at the height of the pandemic. And it surely cannot provide a basis to retransfer to Waco where

[9] To the extent the Austin courthouse is closed to jury trials due to safety concerns, the Waco courthouse should be as well. As discussed above, COVID-19 infection rates are currently worse in Waco than Austin. *Supra* p. 21.

the state of the pandemic is worse than in Austin. To the extent COVID-19 has created a backlog in the district court's cases, the court may deal with that problem in a manner that is consistent with §1404(a) and without putting people's health and safety at risk, as many other courts are doing in response to COVID-19.

Second, the district court stated that, "because patents have a limited term, the Court does not believe it should unnecessarily delay a trial date." Appx6. But a short delay to avoid conducting a jury trial during the worst of the COVID-19 pandemic is hardly "unnecessary." In any event, a few months' delay would not result in any real prejudice to VLSI. The three patents-in-suit issued between 2009 and 2012, some accused products have been on sale since 2012, and VLSI only acquired the patents a few months before filing suit in 2019. Appx995-1015. Moreover, VLSI does not make or sell any products—let alone any that practice the patents-in-suit—and thus can be fully compensated by potential money damages regardless of when trial occurs. *In re Morgan Stanley*, 417 F. App'x 947, 950 (Fed. Cir. 2011) ("[W]e do not regard the prospective speed with which this case might be brought to trial to be of particular significance" where plaintiff "does not make or sell any product[.]"); *In re WMS Gaming Inc.*, 564 F. App'x 579, 581 (Fed. Cir. 2014).

Third, the district court noted that Waco is "the closest open division" and "only 102 miles away from the Austin courthouse" such that "the amount of

inconvenience is minimal[.]" Appx6. But Waco is only open because the district court chose to make it so, notwithstanding that other courthouses within the district remain closed. And as to any inconvenience being minimal, the district court reached the ***opposite*** conclusion when it transferred the case from Waco to Austin because Austin was "clearly more convenient." Appx214. Even so, the district court's focus on travel convenience misses the point: requiring the parties and most witnesses to travel to Texas (whether Austin or Waco) from out-of-state drastically increases ***every*** trial participant's exposure to COVID-19. *Fairstein v. Netflix, Inc.*, 2020 WL 5701767, at *7 (M.D. Fla. Sept. 24, 2020) (during pandemic, "amount of witness travel ought to be minimized"). That is not a "minimal" inconvenience, and certainly not a reason to move the trial to Waco at this time.

II. INTEL CANNOT OBTAIN RELIEF BY ANY OTHER MEANS.

Intel has "no other adequate means to attain the relief [it] desires." *Cheney*, 542 U.S. at 380. In the transfer context, this condition is necessarily met because "the possibility of an appeal in the transferee forum following a final judgment … is not an adequate alternative." *Apple*, 2020 WL 6554063, at *2; *In re TS Tech USA Corp.*, 551 F.3d 1315, 1322 (Fed. Cir. 2008) ("[A] party seeking mandamus for a denial of transfer clearly meets the 'no other means' requirement.").

A post-judgment appeal would be especially inadequate here because the harm Intel's petition seeks to prevent—i.e., trying a case in a forum having no

interest in the case during a public health crisis—cannot be adequately redressed after trial. If the district court is permitted to proceed in Waco, that would cause the parties, witnesses, jurors, and court staff to go through a trial in the wrong forum at great expense. And a January 2021 trial in Waco would subject the many trial participants, and the Waco community at large, to serious health risks given the current state of the COVID-19 pandemic. That harm cannot be avoided unless this Court intervenes before trial. *See In re Volkswagen of Am., Inc.*, 545 F.3d 304, 319 (5th Cir. 2008) (en banc) (finding condition necessarily satisfied in transfer context because "the harm—inconvenience to witnesses, parties and other[s]—will already have been done by the time the case is tried and appealed, and the prejudice suffered cannot be put back in the bottle").

III. MANDAMUS IS APPROPRIATE IN THESE CIRCUMSTANCES.

Mandamus relief also "is appropriate under the circumstances." *Cheney*, 542 U.S. at 381. This condition is necessarily met because "an erroneous transfer may result in judicially sanctioned irreparable procedural injury." *Apple*, 2020 WL 6554063, at *2.

Moreover, mandamus is "particularly appropriate" here because the issue before the Court has "importance beyond the immediate case." *Volkswagen*, 545 F.3d at 319; *Cray*, 871 F.3d at 1358-1359. This petition implicates issues of national importance, including the legal standard that must be satisfied for a district court that

has already transferred a case under §1404(a) to retransfer the case to the original forum. This petition also provides the opportunity for the Court to clarify the scope of a district court's ability to rely on the Federal Rules and its "inherent authority" on issues relating to transfer. Without guidance from the Court, the district court—and other courts—may well continue transferring cases in this manner, unconstrained by binding precedent and statutory authority.

Finally, mandamus relief is appropriate given the timing considerations here. The district court did not issue its retransfer decision until November 20, 2020, and has made clear that it intends to proceed with trial in Waco in January 2021. Mandamus relief from this Court would thus prevent everyone involved in the trial from being exposed to serious health risks during the height of the COVID-19 pandemic.

CONCLUSION

Intel respectfully requests that the Court grant this petition and reverse the district court's retransfer ruling.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, on this 1st day of December, 2020, I filed the foregoing with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system, which will send notice of such filing to all registered CM/ECF users, and I caused a copy of the foregoing Petition for a Writ of Mandamus to be served via email and overnight courier to the following addresses:

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Additionally, on this 1st day of December, 2020, I caused a copy of the foregoing to be served via email and overnight courier to the U.S. District Judge:

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CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATIONS

The foregoing filing complies with the relevant type-volume limitation of the Federal Rules of Appellate Procedure and Federal Circuit Rules because:

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