No. 21-111

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-00977, Judge Alan D. Albright

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BRIEF OF RESPONDENT VLSI TECHNOLOGY LLC IN RESPONSE TO INTEL CORPORATION'S PETITION FOR WRIT OF MANDAMUS

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January 12, 2021

CERTIFICATE OF INTEREST

Counsel for Respondent VLSI Technology LLC ("VLSI") certifies the following:

1. **Represented Parties.** Fed. Cir. R. 47.4(a)(1). The full name of every party represented by the undersigned counsel in this case is:

VLSI Technology LLC.

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). All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by the undersigned counsel are:

CF VLSI Holdings LLC.

4. **Legal Representatives.** Fed. Cir. R. 47.4(a)(4). 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.

Irell & Manella LLP: Morgan Chu, Benjamin Hattenbach, Amy Proctor, Alan Heinrich, Christopher Abernethy, Iian Jablon, Keith Orso, Ian Washburn, Dominik

Slusarczyk, Babak Redjaian, Brian Weissenberg, Charlotte Wen, Jordan Nafekh, and Benjamin Monnin.

MT^2 Law Group: Mark Mann and Andy Tindel.

5. **Related Cases.** Fed. Cir. R. 47.4(a)(5). The title and number of any case known to me to be pending in this or any other court of agency that will directly affect or be directly affected by this court's decision in the pending appeal are:

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.);

In re Intel Corp., No. 21-105 (Fed. Cir.).

6. Organizational Victims and Bankruptcy Cases. Fed. Cir. R. 47.4(a)(6). 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).

None.

Dated: January 12, 2021

Respectfully submitted,

IRELL & MANELLA LLP

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STATEMENT OF RELATED CASES

This matter involves 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 order that is the subject of this mandamus petition pertains to Case No. 6:19-cv-00254 only. Petitioner/Defendant Intel Corp. ("Intel") recently filed a separate mandamus petition on a different, but related, order entered by the District Court, which petition was granted by this Court on December 23, 2020. *In re Intel Corp.*, 2021-105, 2020 WL 7647543, at *3 (Fed. Cir. Dec. 23, 2020).

I. INTRODUCTION

Petitioner Intel has already gone to great lengths to prevent the merits of this patent infringement case from being reached, including multiple rounds of pleading motions, multiple motions to transfer, motions to strike, requests for scheduling delays, an antitrust case filed in another district, numerous IPRs and requests for reconsideration of their denial, a suit against the U.S. Patent Office, multiple motions to stay, multiple motions to continue the trial, and two petitions for writ of mandamus (the instant petition being the second). This petition is Intel's latest effort to prevent the merits of this action from being reached.

Through its petition, Intel seeks an order barring District Judge Albright from moving the case back to the Waco Division in the Western District of Texas where it was originally and properly filed, and requiring Judge Albright to instead keep the case in Austin, *a mere 102 miles from Waco* but whose courthouse has been closed since April 2020 and is now closed indefinitely due to the pandemic. The case was transferred from Waco to Austin in October 2019 on Intel's motion just a few months before the pandemic struck. Notably, when Intel moved to transfer the case from Waco to Austin, Intel represented to Judge Albright that "transfer will not delay the time to trial" and that "there is no reason to believe these cases would proceed more quickly in Waco than in Austin." (Appx148). Judge Albright accepted Intel's representations, and found in his October 2019 transfer order that § 1404(a) factors relating to time to trial were neutral as between Waco and Austin. (Appx160-161; Appx8-9).

It has since become clear that for the indefinite future, trial proceedings cannot be conducted in the Austin courthouse. Judge Albright therefore took the eminently sensible step of reconsidering his earlier ruling in view of intervening facts that were not only unforeseen, but were unforeseeable, and which frustrated the purpose of his original order transferring the case to Austin. After carefully considering and applying this Court's recent mandamus order and the governing Fifth Circuit law to the current facts, he properly concluded for many independent factual reasons that

under §1404(a) the case should be returned to the place where it was properly filed in the first instance—a division whose courthouse is a mere 102 miles away, where Judge Albright routinely sits, that is open for trials and is now far more convenient and would allow a far more expeditious resolution than the Austin division whose courthouse has already been closed for nearly ten months and is presently closed indefinitely.

Intel contends that Judge Albright's order ran afoul of the Fifth Circuit's *Cragar* decision under which retransfers are only permitted under limited circumstances. Intel is wrong. As an initial matter, neither of the two policy concerns against retransfers articulated in the *Cragar* decision apply here, namely concerns that (1) one trial court will be reviewing another trial court's ruling, thereby implicating the so-called "law of the case" doctrine and "respect due sister courts," and (2) the "potential mischief of tossing cases back and forth" in a vicious circle of time-consuming transfers that delay a resolution of the merits. *In re Cragar Indus., Inc.*, 706 F.2d 503, 505 (5th Cir. 1983). To the contrary, Judge Albright has presided over the case from the outset and did not transfer it to another judge or review another judge's decision. Respondent/Plaintiff VLSI Technology LLC's ("VLSI") motion to transfer the case back to the Waco division was merely a request that Judge Albright reconsider *his own prior ruling* based on new facts and circumstances, not a motion asking him to revisit another court's transfer ruling. Moreover, far from

delaying a resolution of the merits, here the transfer back to Waco will materially hasten a resolution of the merits of this complex patent case in which discovery is already complete and the parties are ready for trial.

Furthermore, and in any event, even were the *Cragar* standard for retransfers where one trial court is considering another trial court's transfer ruling fully applicable here, Judge Albright correctly found that the *Cragar* standard has been met. In reaching this conclusion, Judge Albright entered two orders making multiple fact findings that support his decision—*none* of which Intel shows is clearly erroneous—including finding that:

- Six months after Judge Albright transferred the case from Waco to Austin on Intel's motion, in April 2020, the Austin courthouse closed to trials due to the COVID-19 pandemic, has not re-opened since, and is currently "closed for the foreseeable future" (Appx8-9);
- "The Court has stated and both parties agree that the Austin courthouse's closure due to COVID-19 was an unanticipated post-transfer event" and "the Court has stated and Intel does not dispute that the pandemic presents a quintessential 'unusual and impelling circumstance' in which to order [re]transfer" (Appx6; Appx22);
- The indefinite closure of the Austin courthouse has frustrated the purposes of the original transfer order (Appx11; Appx169);

- Judge Albright has already "delayed the trial date twice" due to the Austin courthouse being closed, "first to November 16, 2020 and again to January 11, 2021" (Appx2);[1]
- In the meantime, Judge Albright has safely conducted three trials in Waco since fall 2020, and has also "conducted multiple in-person hearings since the pandemic began and continues to be prepared to conduct this trial and others in Waco going forward" (Appx8);
- Other factors unrelated to COVID-19 that previously supported transferring the case from Waco to Austin have also changed and are now either neutral or favor Waco. For example, Intel previously argued that numerous witnesses based in Austin were likely to testify at trial, and thus in October 2019 Judge Albright found the "cost of attendance" factor favored Austin. However, it is now clear that both (a) no Intel or Intel-customer Austin-based witnesses are expected to testify and (b) nearly all likely trial witnesses are based outside of Texas, rendering the cost of attendance factor either neutral or favoring Waco. Likewise, the "access to sources of proof" factor previously favored Austin, but discovery has been completed and the parties have

[1] Now a third time to February 16, 2021 to allow Intel time for its mandamus petition.

exchanged trial exhibits, so this factor is now neutral (Appx6-7; Appx21);

- The "administrative difficulties flowing from court congestion" factor was previously neutral, but now strongly supports transfer to Waco, including because Judge Albright's docket will be negatively impacted were the case to stay in Austin: "this Court is extremely busy and has at least one trial scheduled every month from now through 2022. Delaying one trial means moving another." (Appx9);
- VLSI will be prejudiced by a yet further delay of the trial, including because "delaying the trial date of [this] case not only delays the trial date of [this] case, but it has a multiplicative effect by delaying the trial dates of the other two cases [between VLSI and Intel] by the same amount of time" (Appx5; Appx168); and
- "[B]ecause the courthouse in Waco is only 102 miles away from the Austin courthouse, the amount of inconvenience is minimal, if any." (Appx5; Appx168).

In short, Judge Albright had significant good reasons, supported by factual findings that Intel has not shown to be clearly erroneous, for reconsidering his own prior decision and moving the case from a division with an indefinitely closed courthouse back to the federal division in which the case was originally filed, whose

courthouse is 102 miles away, in the same district, that remains open, and in which Judge Albright has conducted multiple safe trials since September 2020. Intel does not cite even a single authority that has reversed a District Court's decision to transfer a case to another division in the same district, let alone one where the District Court's decision was based on a finding that the first division was closed indefinitely for trials. By contrast, multiple authorities squarely state that District Courts have such authority and discretion. Intel's mandamus petition lacks merit and should be denied.

II. BRIEF STATEMENT OF FACTS

Respondent VLSI originally filed this patent infringement action (along with two other related patent infringement actions that have been consolidated for discovery but not for trial) in the Waco Division of the Western District of Texas. Intel unsuccessfully sought to transfer the action to Delaware. Intel then moved to transfer all three actions to the Austin Division, in significant part based upon arguments that:

- "[T]here is no reason to believe these cases would proceed more quickly in Waco than in Austin" (Appx148);
- "[T]he increased convenience of litigating these cases in Austin could **expedite** the cases" (*id.*); and
- "[**T]ransfer will not delay the time to trial**." (*id.*).

Intel also argued that several key trial witnesses were based in Austin, including witnesses from third-party Dell. (Appx145-147). In October 2019, Judge Albright accepted these arguments and granted Intel's transfer motion, finding at the time that the Austin Division would be more convenient than Waco. (Appx161). For the sake of clarity, however, Judge Albright merely "transferred" the case to himself, as he routinely sits in both Waco and Austin – the case was not transferred to a new judge.

Six months later, in April 2020, the Austin courthouse closed for trials due to the COVID-19 pandemic and to date has not re-opened. In the meantime, the parties to this action have completed extensive fact and expert discovery and the matter is now ready for trial. As the dust settled on discovery, it became clear that only one witness based in Austin is actually expected to testify at trial, an individual who is neither from either Intel or Dell. Thus, although Judge Albright had previously been led to believe that Austin was likely to be a more convenient site for several important witnesses, this factor no longer weighed materially in favor of keeping the trial in Austin.

On October 9, 2020, Judge Albright requested that the parties submit briefing on the District Court's authority to hold the trial in Waco if the Austin courthouse remained closed indefinitely. In response, Intel submitted a brief arguing that the District Court lacked authority to retransfer the case under *Cragar*. VLSI argued

that holding the trial in Waco is appropriate under each of Fed. R. Civ. P. 77(b), 28 U.S.C. § 1404, and the District Court's inherent authority. (SAppx45 (D.I. 281 & 282); Appx312; *In re Intel*, No. 21-105, Dkt. 2-01 Appx274-305).[2]

After briefing by the parties, on November 20, 2020, Judge Albright ordered that the trial in this matter (but not the entire action) would be moved from Austin to Waco under Rule 77(b) and Judge Albright's inherent authority. Intel sought mandamus review, and in response this Court ruled that Judge Albright lacked authority to move only the trial, but explicitly left open the possibility that Judge Albright could retransfer the entire action to Waco based on *Cragar* and a traditional § 1404(a) analysis. *In re Intel*, 2020 WL 7647543, at *3.

While Intel's first mandamus petition was pending, Intel filed a separate motion before Judge Albright seeking to continue the (then) January 11, 2021 trial date based on risks presented by COVID-19. VLSI opposed that motion with substantial evidence, including the declaration of a prominent epidemiologist expert who (unlike Intel's witness in support of Intel's motion) inspected the Waco courthouse and concluded that with appropriate safety precautions a trial can be safely held in Waco in early 2021. (SAppx69-74; SAppx81-82; SAppx100-108).

[2] All "D.I." references are to docket entries before the District Court. All "Dkt." References are to docket entries before this Court.

Judge Albright denied Intel's motion to continue, and Intel has not challenged that order. (SAppx61 (D.I. 395)).

On December 23, 2020, this Court entered its order granting Intel's first mandamus petition, and vacating Judge Albright's order that transferred the trial in this matter back to Waco. *See In re Intel*, 2020 WL 7647543. In light of this Court's guidance, VLSI immediately filed a motion to retransfer the entire case back to the Waco Division under 28 U.S.C. § 1404(a). After giving Intel an opportunity to respond and holding a lengthy hearing on the matter, Judge Albright granted VLSI's motion, making extensive findings in support of moving the case back to Waco. (Appx1-11). Judge Albright's new order transferring the case back to Waco, carefully considered this Court's mandamus order and adopted his extensive discussion of and findings related to the *Cragar* decision from the prior, vacated order. (Appx5-8). At Intel's request, Judge Albright also continued the trial date (for a third time) from January 11 to February 16, 2021 to give Intel an opportunity to seek mandamus review of the order transferring the case back to Waco. (Appx43).

III. ARGUMENT

A. *Cragar* Does Not Prohibit Retransfer To Waco Under The Unique Circumstances Presented Here

1. Neither Of The Two Policy Concerns Against Retransfer Orders That *Cragar* Identified Is Applicable Here

Intel's primary argument is that Judge Albright's order constitutes a retransfer that is purportedly prohibited by the Fifth Circuit's *Cragar* decision. Intel argues

that "[r]etransfer is permitted under Fifth Circuit law only when 'unanticipatable post-transfer events frustrate the original purpose for transfer.'" Pet. at 3 (quoting *In re Cragar*, 706 F.2d at 505). However, Intel conspicuously omits the context around that statement, which makes clear that the standard articulated in *Cragar* was never intended to apply in the circumstances presented here:

> Certainly, the decision of a ***transferor court*** should ***not be reviewed again by*** the ***transferee court***. Such an independent review would implicate those concerns which underlie the rule of repose and decisional order we term ***the law of the case***. . . .
>
> It does not follow, however, that a ***transferee court*** is powerless to act where the original purposes of the transfer have been frustrated by an unforeseen later event. ***When such unanticipatable post-transfer events frustrate the original purpose for transfer, a return of the case to the original transferor court does not foul the rule of the case nor place the transferee court in a position of reviewing the decision of its sister court***. ***It, instead, represents a considered decision that the case then is better tried in the original forum for reasons which became known after the original transfer order***. In sum, we decline to adopt a per se rule forbidding a return of a transfer by the ***transferee court*** of a transferred case.

In re Cragar, 706 F.2d at 505 (internal citations omitted).

As the Fifth Circuit's holding makes clear, the Court was concerned that in most instances "the decision of a transferor court should not be reviewed again by the transferee court," because that would "***place the transferee court in a position of reviewing the decision of its sister court***." *Id.*

The *Cragar* court also emphasized a second significant policy concern against retransfers, explaining that "[f]ailure to abide the original transfer order contains ***the additional potential mischief of tossing cases back and forth to the detriment of an adjudication of the underlying merits of the case and respect due sister courts***." *Id.*

Similarly, three years after *Cragar*, the Supreme Court of the United States considered a retransfer case involving the Federal Circuit, and held that "the policies supporting the [law of the case] doctrine apply with even greater force to transfer decisions than to decisions of substantive law; ***transferee courts that feel entirely free to revisit transfer decisions of a coordinate court threaten to send litigants into a vicious circle of litigation.***" *Christianson v. Colt Indus. Operating Corp*., 486 U.S. 800, 816 (1988).

The twin policy concerns discussed in *Cragar* and *Christianson*, namely that (1) one court will revisit a sister court's ruling, and thereby (2) potentially send the parties into a vicious circle of litigation, are simply not implicated in this case. Here there is and has been only one judge, Judge Albright, who should have full discretion to reconsider his own prior decision on whether to move the case from Austin to Waco (a mere 102 miles away) when the facts and circumstances changed. Moreover, far from being thrown into a "vicious circle of litigation" by the transfer, the transfer will instead allow the parties to resolve this action on the merits via a

trial in February 2021, rather than remaining in a forum where the courthouse has already been closed for nearly ten months, and is closed indefinitely.

2. Judge Albright Correctly Found That The *Cragar* Standard Has Been Met Here

Even assuming that the standard articulated in *Cragar* fully applies here, notwithstanding that none of the concerns discussed in *Cragar* are implicated,[3] Judge Albright correctly found that the indefinite closure of the Austin courthouse due to the pandemic was unanticipatable and also constitutes an impelling circumstance that frustrated the purpose of his prior transfer order, thereby warranting a fresh look at the § 1404(a) factors in light of the current facts before the District Court. (Appx6; Appx169). For example, as Judge Albright found:

> At the time the transfer order [from Waco to Austin] was granted, to say the COVID-pandemic was an "unanticipatable post-transfer event" or "the most impelling and unusual circumstance[]" would be an understatement. If anything, a worldwide pandemic may be the most quintessential example of an unusual circumstance.

(Appx169).[4]

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[3] Judge Albright also correctly found that *Cragar* is distinguishable because, unlike the circumstances presented in *Cragar*, Judge Albright's retransfer order is not a result of tactical maneuvering by VLSI. (Appx4; Appx170). In particular, VLSI originally filed the case in Waco, opposed Intel's motion to transfer the case from Waco to Austin, and then only moved to retransfer the case to Waco after the Austin courthouse closed indefinitely. (*Id.*).

[4] Intel did not dispute this finding. (*E.g.,* Appx33 ("the pandemic is, as I said, an unanticipated post-transfer event")).

Further, Judge Albright found that the indefinite closure of the Austin courthouse frustrated the purpose of his original transfer order, both because it has made it impossible for the case to be tried in a timely fashion, and also because under the present circumstances the interests of justice and convenience of the parties and witnesses favor Waco over Austin. (Appx8-9; Appx11; Appx167-169). Intel largely ignores Judge Albright's findings on this issue and incorrectly contends that the indefinite closure of the Austin courthouse cannot possibly have frustrated the purpose of the October 2019 transfer order because that prior order does not cite time-to-trial as a reason for the transfer. But, as discussed above, the reason that time-to-trial was found to be neutral in the October 2019 order was that in the pre-pandemic world, nobody believed that transferring the case to Austin would result in any delay, let alone an indefinite delay of the trial. (Appx148). It is the vastly changed circumstances now before the District Court that made reconsideration uniquely appropriate here.

Intel also argues that the COVID-19 pandemic cannot constitute an unusual circumstance sufficient to permit retransfer under *Cragar* because it is a nationwide event and not limited to Austin. Intel's attempt to impose arbitrary restrictions not discussed in *Cragar* ignores the reality that some courts in the Western District of Texas (including Austin) are presently closed for trials due to the pandemic, while others (including Waco) are open. It would be illogical to rule that the indefinite

closure of the Austin courthouse fails to meet the standard articulated in *Cragar* simply because many other federal courts are closed for the same reason. To the contrary, the veritable tsunami of federal trials already deferred across the country due to COVID-19 strongly supports courts sensibly transferring actions to divisions that remain open for trial, provided (as here) the transfer is otherwise appropriate.

It is also important to note that none of the cases that Intel has cited applying *Cragar* support the conclusion that Judge Albright erred by reconsidering his own decision to transfer the case from Waco to Austin, and several of them clearly demonstrate that Judge Albright did not abuse his discretion here.

For example, in its original mandamus petition, Intel cited *Gorzynski v. JetBlue Airways Corp*., 10 F. Supp. 3d 408 (W.D.N.Y. 2014). (Appx272-273). In *Gorzynski*, a district judge *sua sponte* transferred the action to another judge in a different division of the same district. 10 F. Supp. 3d at 410. However, the plaintiff was unhappy with the transfer, and moved the second judge to retransfer the case back to the first judge. *Id.* at 412. The second judge denied the motion, noting that retransfers are disfavored under *Cragar* and other cases, and found that:

> Here, Plaintiff has not identified any post-transfer events that would frustrate the original purpose of the transfer. ***The original purpose of the transfer was to expedite the trial of this action. Trial is now scheduled to commence in less than one month. As a result, the purpose of the transfer has been achieved.***

Id. at 413.

Unlike in *Gorzynski,* here, Judge Albright has not transferred the case to another judge, nor was he asked to second-guess a transfer order entered by a different court. Moreover, the district court in *Gorzynski* found that transfer back to the first district was not warranted *because the purpose of the transfer, namely to expedite trial, had not been frustrated*. *Id*. But exactly the opposite is true here: Judge Albright has already found that the purpose of his original order transferring the case from Waco to Austin has been frustrated because the Austin courthouse is now closed indefinitely. (Appx8-9; Appx11; Appx167-169). Thus, *Gorzynski* fully supports Judge Albright's decision to transfer the case back to Waco.

Intel also cites another case that plainly supports Judge Albright's retransfer order, *JTH Tax Inc. v. Mahmood*, No. 2:09-CV-134-P-S, 2010 WL 2175843, at *2 (N.D. Miss. May 27, 2010). In *JTH*, the plaintiff filed the action in the Eastern District of Virginia, but the court transferred the action to the Northern District of Mississippi. Plaintiff later moved the Mississippi court to retransfer the action back to Virginia, largely on the basis that another proceeding in Mississippi involving the same parties had been remanded to state court. The court found that because the other litigation between the parties was no longer in federal court, "the original purpose of the transfer . . . has been frustrated," thus "re-transfer in this case would not run afoul of the law of the case doctrine discussed in *In re Cragar Industries, Inc.*" *JHT*, 2010 WL 2175843, at *2. After concluding that *Cragar* did not prohibit

retransfer, the court found the balance of factors under § 1404(a) at the time of retransfer favored retransfer back to Virginia." *Id.* at *2-3.

Intel also cites to *Emke v. Compana LLC*, No. 3:06-CV-1416-O (BH), 2009 WL 229965, at *4 (N.D. Tex. 2009), but the underlying facts in *Emke* are wholly inapposite. In *Emke*, plaintiff filed an action in Nevada, which was then transferred to the Northern District of Texas. After various defendants were dismissed from the case and the remand to state court of another pending case between the parties, plaintiff moved for a subsequent transfer to California, or alternatively back to Nevada. *Id*. at 2. The district court denied plaintiff's motion for retransfer, finding that the only changed circumstance was the "foreseeable" remand of the other proceeding between the parties. *Id*. at 4. The facts presented to the district court in *Emke* were completely different than the facts before Judge Albright, and nothing in the *Emke* decision supports the conclusion that Judge Albright abused his discretion on the very different record that is presented in this case.

Finally, Intel cites *Plywood Panels, Inc. v. M/V Thalia*, No. 91-2116, 141 F.R.D. 689, 690-91 (E.D. La. 199)), which is yet another decision that plainly supports Judge Albright's retransfer order. In *Plywood*, the district court granted a motion for retransfer after finding that post-transfer events caused the court to lack personal jurisdiction over some defendants. 141 F.R.D. at 691. Notably, in granting

the plaintiff's retransfer motion, the district court in *Plywood* performed the same analysis undertaken by Judge Albright in this case. (Appx3-4).

In short, rather than supporting a finding that Judge Albright clearly abused his discretion by transferring the case back to Waco, Intel's cases interpreting and applying *Cragar* show that Judge Albright acted reasonably, and certainly within the bounds of his discretion, in granting VLSI's motion to move the case back to Waco, with Judge Albright continuing to preside over the action as he has from the outset.

B. Intel Has Not Shown That Judge Albright Abused His Discretion In Finding That The Balance Of Factors Under 28 U.S.C. § 1404(a) Now Favors Transfer Back To Waco

28 U.S.C. § 1404(a) provides that "[f]or 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 where it might have been brought*** . . ."

In the Fifth Circuit, the § 1404(a) factors apply to both inter-district and intra-district transfers. *In re Radmax Ltd.*, 720 F.3d 285, 288 (5th Cir. 2013). In the case of intra-district transfers, however, it is well-settled in the Fifth Circuit that trial courts have even greater discretion in granting transfers than they do in the case of inter-district transfers. *E.g.*, *Sundell v. Cisco Sys. Inc.*, 1997 WL 156824, at *1, 111 F.3d 892 (5th Cir. 1997) ("Under 28 U.S.C. § 1404(b), the district court has broad discretion in deciding whether to transfer a civil action from a division in which it is

pending to any other division in the same district.");[5] *Smith v. Michels Corp.*, No. 2:13-CV-00185-JRG, 2013 WL 4811227, at *2 (E.D. Tex. Sep. 9, 2013) ("the Federal Rules of Civil Procedure allow significant discretion to district courts in deciding where court is to be held within a district, even without the consent of the parties . . . the Court finds that it is allowed greater deference when considering § 1404(a) motions for intra-district change of venue as opposed to inter-district transfer."); *Madden v. City of Will Point Tex.*, No. 2:09-CV-250 (TJW), 2009 WL 5061837, at *3 (E.D. Tex. Dec. 15, 2009) (noting that there is "greater deference available to the Court when considering intra-district transfers."). *Cf. Cottier*, 2011 WL 3502491, at *1 (holding that intra-district transfers "are discretionary transfers

[5] In its prior mandamus order, this Court cited an unpublished Fifth Circuit case for the proposition that § 1404(b) only applies if all parties consent to the transfer. *In re Intel*, 2020 WL 7647543, at *2 (citing *In re Gibson*, 423 F. App'x 385, 389 (5th Cir. 2011)). Numerous other decisions from courts in the Fifth Circuit and elsewhere disagree with that proposition, and have either implicitly or explicitly interpreted the phrase "upon motion, consent, or stipulation of all parties" in § 1404(b) to permit intra-district transfer "upon motion" of less than all of the parties. *E.g., Sundell*, 1997 WL 156824, at *1, 111 F.3d 892 (5th Cir. 1997) (motion for intra-district transfer filed by only one party); *Sheriff v. Accelerated Receivables Sols.*, 349 F. App'x 351, 355 (10th Cir. 2009) (affirming denial of single-party transfer motion brought under § 1404(b), but not on the basis that the motion required consent of all other parties); *Kinney v. Three Arch Bay Cmty. Servs. Dist.*, 829 F. App'x 273, 274 (9th Cir. 2020) (similar; affirming grant of motion to transfer); *Hanning v. New England Mut. Life Ins. Co.*, 710 F. Supp. 213, 215 (S.D. Ohio 1989) ("[i]ntradivisional transfers pursuant to 28 U.S.C. § 1404(b) are discretionary transfers subject to the same analysis as under § 1404(a) but apparently judged by a less rigorous standard"); *Cottier v. Schaeffer,* No. 11-5026-JLV, 2011 WL 3502491, at *1 (D.S.D. Aug. 10, 2011) (single party motion).

subject to the same analysis as under 28 U.S.C. § 1404(a), but are judged by a less rigorous standard.") (citations omitted); *White v. ABCO Engineering Corp.*, 199 F.3d 140, 144 (3d Cir. 1999) (noting that intra-district transfers are subject to less scrutiny because such a transfer is "much less cumbersome than its inter-district counterpart."); *Hanning*, 710 F. Supp. at 215 ("Intradivisional transfers pursuant to 28 U.S.C. § 1404(b) are discretionary transfers subject to the same analysis as under § 1404(a) but apparently judged by a less rigorous standard."); *Jennings v. Contract Consultants, Inc.*, No. 3:07-CV-0539-L, 2008 WL 977355, at *4 (N.D. Tex. Apr. 8, 2008) (holding "[i]f a distance of 203 miles is considered to be a 'minor inconvenience,' this court cannot fathom that requiring the parties and witnesses to travel to Dallas for trial, rather than Fort Worth, would in any way be an abuse of discretion on its part.") (citing *Jarvis Christian College v. Exxon Corp*., 845 F.2d 523, 528 (5th Cir. 1988) (affirming *sua sponte* transfer from Houston to Tyler, Texas under § 1404 even though district court had failed to provide notice or hold a hearing prior to the transfer)).

In considering whether transfer is appropriate under § 1404, a court should first consider whether the action could originally have been filed in the court to which transfer is sought. *In re Volkswagen of America, Inc.*, 545 F.3d 304, 312 (5th Cir. 2008) ("*Volkswagen II*"). Here, it is undisputed that VLSI originally filed the action in Waco, and that this element is satisfied. (Appx4). If the first element is

met, the Court should then consider the eight public and private *Volkswagen II* factors. *In re Radmax*, 720 F.3d at 288.

In his October 2019 ruling transferring the case from Waco to Austin, Judge Albright found that three of the *Volkswagen II* factors favored transfer to Austin, four were neutral, and that only one factor favored Waco. (Appx10-11; Appx155). However, in December 2020, when VLSI filed its motion to transfer the case back to Waco, the facts before the District Court were materially different, and Judge Albright found that now only one factor favors Austin, two favor Waco, and five are neutral (or potentially favor Waco). (Appx10-11). These factors are discussed below.

1. Private Factors

(a) The "Relative Ease Of Access To Sources Of Proof" Factor Is Now Neutral

In October 2019, Judge Albright found that this factor weighed in favor of transfer to Austin based on Intel's showing that Intel has a facility in Austin; third party documents would likely be more accessible in Austin; and that Intel customer Dell, based in Austin, was expected to be a key source of proof. (Appx156-157). However, by the time discovery closed, the parties knew that no Intel employee from Austin, nor any Dell witness, is expected to be a witness in the upcoming trial. Further, as Judge Albright found, all document discovery is now completed and is readily available in electronic form to counsel for all parties – indeed, the parties

have already exchanged trial exhibits.[6] (Appx8-9). Accordingly, none of the reasons supporting Judge Albright's findings on the "relative ease of access to sources of proof" factor in the Court's October 2019 transfer order to Austin still apply. As Judge Albright correctly found in his December 2020 order, this factor is now neutral. (*Id*.).

(b) The "Compulsory Process" Factor Is Now Neutral

In his October 2019 ruling transferring the case from Waco to Austin, Judge Albright found that the "compulsory process" factor favored Waco over Austin because it was anticipated that witnesses based in Dallas would be called at trial. (Appx157). However, in his December 2020 order transferring the case back to Waco, Judge Albright agreed with Intel's argument that this factor is now neutral because neither party anticipates needing to subpoena any witnesses in Dallas. (Appx7).

(c) The "Cost Of Attendance" Factor Is Now Neutral (Or Favors Waco)

In October 2019, Judge Albright found that this factor weighed in favor of Austin based on Intel's showing that most of the inventors of the asserted patents

[6] Intel contends that it has a physical campus in Austin and therefore production of documents would be easier in Austin. Not only does Intel's argument ignore the realities of this case, where all trial exhibits were already exchanged electronically via the internet, but it is also contradicted by Intel's prior testimony. (SAppx65).

live in Austin, and that multiple non-party witnesses were expected to be key witnesses at trial. (Appx158-160). However, by December 2020 when VLSI filed its motion to transfer back to Waco, only one Austin-based witness was on either parties' list of witnesses who are expected to be called at trial, and that one witness works for NXP, an entity which sold the asserted patents to VLSI and retains a financial interest in proceeds generated from licensing of the asserted patents, and which is not objecting to appearing in Waco. (Appx7-8). Intel's assertion that alleged modest inconvenience to a single witness is sufficient to prevent transfer, particularly when that witness is not affiliated with Intel or any of its customers, but rather is affiliated with an entity that has a financial interest in a timely resolution of the merits, is illogical, is not supported by any authority, and does not show that Judge Albright clearly abused his discretion.

As of December 2020, all other likely trial witnesses for both sides reside outside the state of Texas, and thus will be having to travel either to Waco or to Austin to testify. Hotel costs are materially lower in Waco than in Austin, so given current circumstances, Judge Albright was correct in finding that the cost of attendance factor is now neutral (or favors Waco). (Appx7-8).

Intel points to three other witnesses who reside in or near Austin who are listed on the parties' "may call" witness list. As an initial matter, it is fair to infer from the fact that these witnesses appear only on "may call" lists that they are not viewed as

key witnesses, and the parties may elect not to call them at all. Further, two of the three are employed either by VLSI or by NXP, which as noted above has a financial interest in the asserted patents and is not objecting to appearing in Waco. The third "may call" witness to whom Intel points is an inventor on Intel's "may call" list, and Intel has already taken the position that he has no substantive recollection of his work on an asserted patent back in 2006. (SAppx118). That inventor lives within 100 miles of the Waco courthouse, and Judge Albright has already ruled that if Intel actually decides to call him at trial (which is unlikely), he and the other Austin-area witnesses may testify by video if they are uncomfortable appearing live. (Appx7-8).

In short, only one Austin-based witness is likely to testify at trial, and he works for a party that retains a financial interest in the asserted patents and thus is benefitted by a prompt resolution on the merits. The distance between Austin and Waco is only about 100 miles. All other anticipated trial witnesses reside outside of Texas, and it is undisputed that lodgings in Waco are materially less expensive than in Austin. Under the circumstances, Intel has not shown that Judge Albright clearly erred in finding that this factor is now neutral (if not favoring Waco over Austin).

(d) The "All Other Practical Problems" Factor Now Strongly Weighs In Favor Of Transfer

In his October 2019 order transferring the case from Waco to Austin, Judge Albright found this factor to be neutral. (Appx160). However, in finding this factor to be neutral, Judge Albright's October 2019 ruling clearly accepted as true Intel's

representations in the transfer motion that transferring the case to Austin from Waco would cause no delay and, if anything, would result in a ***faster*** trial date. In this regard, Intel argued in its transfer motion that "the increased convenience of litigating these cases in Austin could expedite the cases" and "there is no reason to believe the case would proceed more quickly in Waco." (Appx148). Intel also argued that "transfer will not delay the time to trial." (*Id.*). Intel likewise argued that "Intel is aware of no administrative difficulties … but to the extent any administrative difficulties could exist, ***they easily can be alleviated by this Court's retaining control of the actions following transfer to the Austin Division***." (Appx149).

Obviously, due to the pandemic, Intel's arguments regarding Austin being a faster-to-trial venue than Waco proved to be wrong – very wrong. Now, to the contrary, keeping the trial in Austin has already delayed the trial by several months, and threatens to delay the trial indefinitely. (Appx8-9; Appx25-26). As a result, as Judge Albright correctly found, the "all other practical problems that make trial of a case easy, expeditious and inexpensive" factor now clearly favors Waco rather than Austin. (Appx8-9). *See In re Radmax Ltd.*, 720 F.3d at 289.

Intel repeatedly argues that time to trial was not a factor in Judge Albright's October 2019 order transferring the case to Austin. That assertion is disingenuous. As discussed above, Judge Albright found the factor to be neutral after Intel

repeatedly represented that moving the case to Austin would not delay a trial, and might even hasten it. (Appx148-149; Appx160). Intel's contention that Judge Albright should now be prohibited from considering the changed circumstances presented by the indefinite closure of the Austin courthouse is both illogical and unsupported by any authority.

Moreover, consigning this case to a courthouse that is closed indefinitely would also significantly prejudice VLSI because Intel is simultaneously suing VLSI in another court (namely, the United States District Court for the Northern District of California) on antitrust allegations that are based on Intel's contention that VLSI's patent claims in this action lack merit.[7] Intel is thus seeking to indefinitely block resolution of the merits of VLSI's claims in this case, while arguing in another case that VLSI's claims here are so meritless that they somehow give rise to an antitrust claim.

2. Public Factors

(a) The "Administrative Difficulties Flowing From Court Congestion" Factor Now Strongly Weighs In Favor Of Transfer

Judge Albright's October 2019 order found this factor to be neutral. (Appx161). But now because the Austin courthouse is closed indefinitely, if Judge

[7] *Intel Corp., et al. v. Fortress Investment Group, et al.*, No. 3:19-cv-07651-EMC (N.D. Cal.).

Albright cannot transfer this case, the result will not only be further delay of this trial and further delay of trials in two other cases between the same parties, but also further delay of Judge Albright's entire docket. (Appx9; Appx168). As Judge Albright found in the challenged order: "this Court . . . has at least one trial scheduled every month from now through 2022. . . . Delaying one trial means moving another." (Appx9). Moreover, "the trial in this case may last more than a week which would require moving multiple other trials." (*Id.*).

Intel contends that Judge Albright's findings on this factor should be ignored or given little weight because he purportedly brought a busy docket upon himself, and is improperly rushing this case to trial (despite the fact that the trial date has already been twice continued). (Appx2). Respectfully, Intel's ad hominem attacks against Judge Albright fall far short of showing that Judge Albright clearly erred in finding that this factor now favors Waco. Indeed, common sense tells us that Judge Albright got it exactly right in finding that this factor now favors Waco (the open courthouse 102 miles away, and where the case was originally filed) over Austin (the courthouse that is closed indefinitely).

(b) <u>The "Localized Interest" Factor Continues To Favor Austin</u>

The facts relating to this factor have not changed materially since Judge Albright's October 2019 ruling. This is the only factor that Judge Albright found in his December 2020 Order supports keeping the case in Austin. (Appx10).

Throughout its briefing, Intel improperly attempts to give this single factor outsized and even dispositive weight. However, as Fifth Circuit case law makes clear, it is merely one factor among many to be considered as part of the analysis, and should not be given the undue, let alone the dispositive, weight that Intel suggests. *E.g., Volkswagen II*, 545 F.3d at 315 ("none . . . can be said to be of dispositive weight") (ellipses in original).

(c) The Other Public Factors Remain Neutral

Both in his October 2019 order transferring the case from Waco to Austin and in his December 2020 order transferring the case back to Waco, Judge Albright found that the other public factors are neutral. (Appx10-11; Appx161). Intel does not challenge these findings.

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Thus, in his December 2020 order, Judge Albright found that the indefinite closure of the Austin courthouse was a highly unusual circumstance that warranted reconsidering his prior transfer order under *Cragar*, and that applying the *Volkswagen II* factors to the current facts before the District Court, one private factor and one public factor now favor transfer to Waco, while only one factor favors Austin, with all other factors being neutral (or favoring Waco). (Appx10-11). Intel has not shown that any of Judge Albright's factual findings are clearly erroneous. Intel therefore cannot show that Judge Albright abused his discretion in transferring

the case back to Waco, where he will preside over the case, a mere 102 miles away, where VLSI originally filed the action.

Intel incorrectly argues that Judge Albright somehow improperly shifted the burden on VLSI's recent transfer motion to Intel. He did not. Rather, as he had been instructed to do by this Court, after finding that *Cragar* did not bar reconsideration of his prior order, Judge Albright weighed afresh all of the public and private factors in light of the current facts and circumstances, and made new findings as to all such factors that apply. (Appx1-11). Judge Albright's statement to Intel's counsel at the hearing on VLSI's transfer motion to the effect that Intel had an "uphill road . . . to climb" was nothing more than Judge Albright providing counsel with his tentative ruling on the motion – i.e., Judge Albright communicated that he had read all of the parties' briefing on the transfer issue, and that Intel had an uphill road to convince him not to grant VLSI's motion – and in no way reflects some improper legal or evidentiary burden that was imposed on Intel. (Appx25).

Intel also incorrectly suggests that Judge Albright abused his discretion by transferring the case back to Waco because he failed to consider recent COVID-19 infection data for Waco as compared to Austin. While Intel contends that Judge Albright ignored this issue, Intel fails to note that it heavily briefed these arguments to Judge Albright in a separate recent motion to continue the trial date, which Judge Albright denied after a lengthy hearing, and which Intel chose not to challenge in its

mandamus petition. (SAppx61 (D.I. 395)). In connection with Intel's unsuccessful motion to continue, VLSI offered expert testimony and other evidence that proceeding with a trial in Waco in early 2021 will be safe, including because the unique features of the Waco courthouse and available prophylactic measures will permit a trial to be safely conducted there. (SAppx69-74; SAppx81-82; SAppx100-108). Moreover, as noted above, Judge Albright has conducted multiple safe trials and hearings in Waco in the last several months. (SAppx69-74; SAppx81-82; SAppx100-108; Appx47-51).

Intel also unfairly attacks Judge Albright by citing to decisions in which he was reversed for *denying motions to transfer cases to federal courts in other districts*. Those decisions involve unrelated issues, facts, and parties, and have no relevance or applicability here other than to unfairly attack Judge Albright personally.

Simply put, in light of the unexpected and indefinite closure of the Austin courthouse since April 2020, Judge Albright was well within his discretion to reconsider his own October 2019 ruling transferring the case from his chambers in Waco to his chambers in Austin. Moreover, Judge Albright did not abuse his discretion in applying the public and private *Volkswagen II* factors to the current facts before him. Judge Albright's findings show that on the facts presently before the District Court, only one factor favors keeping the case in Austin, while at least

two favor moving it back to Waco where it was originally and properly filed. (Appx10-11). Intel contends that the one factor in its favor should be dispositive, but that is not the law of the Fifth Circuit and must be rejected. *Volkswagen II*, 545 F.3d at 315. Rather, as Judge Albright correctly found, the interests of justice and convenience of the parties now favors transferring the case back to Waco, where it was originally filed, and where the parties can promptly obtain a determination on the merits.

In this regard, Rule 1 of the Federal Rules of Civil Procedure provides the rules should be "construed, administered, and employed by the court and the parties to secure the just, speedy, and inexpensive determination of every action and proceeding." Fed. R. Civ. P. 1. Here, "the courthouse in Waco is only 102 miles away from the Austin courthouse, [so] the amount of inconvenience is minimal, if any" from moving the trial (which is all that remains in this case, discovery having been completed for some time) back to Waco, where the case was originally filed. (Appx168). Under the circumstances, including that this is a complex patent case ready for trial, it would be incongruous with the District Court's power to control its own docket and its mandate to effectuate the purposes of Rule 1 for this Court to rule that the District Court lacks authority to move the case from a courthouse that has already been closed for nearly ten months, and which is closed indefinitely, to

an open courthouse merely 102 miles away where the judge routinely sits – especially when the case was originally filed in that open courthouse.

IV. CONCLUSION

Cragar does not bar retransfer under the unique facts of this case, and Judge Albright did not clearly abuse his discretion in reconsidering his own order transferring the case from Waco to Austin. Rather, Judge Albright faithfully followed this Court's directions in its December 23, 2020 Order, (*see In re Intel*, 2020 WL 7647543, at *3), analyzed retransfer under the § 1404(a) *Volkswagen II* factors, and found after careful consideration that the interests of justice and convenience of the parties and witnesses now favor moving this case back to Waco, where the case was originally filed. Intel's petition for mandamus should accordingly be denied.

Dated: January 12, 2021

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CERTIFICATE OF COMPLIANCE

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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CERTIFICATE OF SERVICE

I hereby certify that, on this 12th day of January 2021, 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.

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