WOMBLE CARLYLE®
INNOVATORS AT LAW®

FIRST-TO-FILE AND CHOICE-OF-FORUM ROOTS RUN TOO DEEP FOR *MICRON* TO CURB MOST RACES TO THE COURTHOUSE

by Michael A. Cicero[1]

1 Mr. Cicero is a Member in the Atlanta office of Womble Carlyle Sandridge & Rice, PLLC ("Womble Carlyle"), and concentrates his practice on intellectual property litigation. Mr. Cicero wishes to thank Mr. Kirk W. Watkins, a fellow Member at Womble Carlyle's Atlanta office, for providing valuable guidance to finalization of this article. The views herein expressed are solely those of the author and are not necessarily the views of Womble Carlyle or its clients, are set forth only for purposes of discussion of the state of the law as of the date of this article, and should not be construed as legal advice. Any questions concerning the application of legal principles to particular facts should be presented in confidence to appropriate legal counsel.

TABLE OF CONTENTS

Page

I. INTRODUCTION 1

II. EVOLUTION OF THE "FIRST-TO-FILE" RULE 1

A. Origins of the FTF Rule 1

B. Weight Accorded to FTF Rule Between *Kerotest* and *Micron* 4

1. The 1950's Through the 1970's: Evolution from "General Principles" to a "Rule" Not to be "Disregarded Lightly" 4

2. The 1980's: Enter the Eleventh and Federal Circuits; Presumption Emerges 5

a. The Beginnings of a Presumption Favoring the First-Filed Forum 5

b. Federal Circuit Applies Regional Law and Refers to Presumption 5

3. The 1990's: *Genentech*, *Serco*, and Other FTF Developments 6

a. The Federal Circuit's Genentech and Serco Decisions 6

b. Other 1990's Developments 7

(i) Clarifying When the FTF Rule Applies 7

(ii) Increased Recognition of FTF Rule as a "Presumption" 7

TABLE OF CONTENTS – cont'd.

Page

4. The Pre-*Micron* 21st Century 8

a. *Lab Corp.*: Federal Circuit Applies Own Law to Anti-Suit Injunctions 8

b. *Electronics for Imaging*: Diminishing "Anticipatory" Exception? 9

c. Increased Traction for the FTF Presumption 10

C. The First-Filed Court Decides Venue Issues 10

D. The Prominent Pre-*Micron* Role of the FTF Rule: A First Flow Chart Summary 12

1. Maintaining The Distinction 12

2. Appendix A: Flow Chart Item-by-Item Discussion 12

III. THE FEDERAL CIRCUIT'S DECISION IN *MICRON* 14

A. Facts 14

B. The District Court's Decision 14

C. The Federal Circuit's Holding and Observations 15

IV. IMPACT OF *MICRON* UPON PATENT VENUE BATTLES 17

A. *Micron*'s Analytical Framework: More Questions Than Answers 17

B. Which Law Now Applies, and Currently, Does it Make Any Difference? 18

TABLE OF CONTENTS – cont'd.

Page

C. *Micron* Slightly Increases Risk that First-Filed Venue will Not Be Ultimate Venue, but it is Not Otherwise Expected to Deter Races to the Courthouse 18

1. General Remarks 18

2. Choice-of-Forum Law 19

D. The Post-*Micron* Role of the FTF Rule: A Second Flow Chart Summary 20

1. Appendix B 20

2. Appendix C 22

V. COMMENTARY ON POLICY TO CURB "RACES TO THE COURTHOUSE" 22

VI. CONCLUSION 23

Appendix A A-1

Appendix B A-2

Appendix C A-3

I. INTRODUCTION

The race is not always to the swift, nor the battle to the strong, but that's the way to bet.[2]

This principle continues to ring true for venue battles waged in patent infringement cases, even after *Micron Technology, Inc. v. MOSAID Technologies, Inc.*[3] The *Micron* panel attempted to weaken the "first-to-file" rule and thereby limit opportunities for races to the courthouse otherwise enhanced by the Supreme Court's decision in *MedImmune, Inc. v. Genentech, Inc.*,[4] a case that generally increased availability of declaratory judgment actions. Whether *Micron* actually weakens the "first-to-file" rule remains to be seen.

Micron purports to equate the analysis of a motion for discretionary disposition of a duplicative patent case with that used for motions to transfer under 28 U.S.C. § 1404(a). Yet *Micron* leaves several fundamental questions unanswered, including choice of law, the role of the "first-to-file" rule, and allocations of burdens of proof. The "first-to-file" rule evolved over almost 200 years as a principle of Supreme Court and regional circuit law, which district courts will continue to apply in patent cases, unless and until Federal Circuit fleshes out the unanswered questions of *Micron*. Many courts accord the "first-to-file" rule burden-shifting weight and, importantly, let the "first-to-file" rule dictate which court will hear venue-related arguments. The weight of this authority is unmoved by *Micron*'s silence on fundamental analytical issues, with one possible significant exception. *Micron* suggests that courts in patent cases may no longer be free to transfer the case solely upon finding that another court was the first-filed forum, thus forcing even second-filed forums to hear substantive arguments on § 1404(a) "convenience factors." Even under that regime, however, the existence of litigation filed first elsewhere should still weigh significantly as an "interest of justice" factor in the overall analysis. Thus, despite *Micron*, litigants can still benefit from winning the race to the courthouse, so long as the forum chosen by the winner bears some legitimate relationship to the underlying facts.

II. THE EVOLUTION OF THE "FIRST-TO-FILE" RULE

"Under the first-to-file rule, when related cases are pending before two federal courts, the court in which the case was last filed may refuse to hear it if the issues raised by the cases substantially overlap."[5] In order to understand what, if any, impact *Micron* may have made upon the "first-to-file" (hereinafter "FTF") rule in patent cases, one must first understand the development of that rule and the prominence it achieved before *Micron*.

A. Origins of the FTF Rule

In 1824, the Supreme Court of the United States first established the FTF Rule in *Smith v. McIver*.[6] There, McIver had obtained a judgment against Smith in a court of law, leading to ejectment of Smith from land that McIver claimed to own through conveyances to him.[7] Smith then brought suit in a Court of Chancery,[8] seeking equitable relief concerning that land, which he claimed to own through a land patent, alleging that the conveyances to McIver

---

2 Attributed to Damon Runyon (1884-1946). *See* http://en.wikiquote.org/wiki/Damon_Runyon.
3 518 F.3d 897, 86 U.S.P.Q.2d 1038 (Fed. Cir. 2008), *reh'g denied* (Apr. 7, 2008).
4 ___ U.S. ___, 127 S.Ct. 764, 81 U.S.P.Q.2d 1225 (2007).
5 *Cadle Co. v. Whataburger of Alice, Inc.*, 174 F.3d 599, 603 (5th Cir. 1999).
6 22 U.S. 532 (1824).
7 *Smith v. McIver*, 22 U.S. at 533.
8 A Court of Chancery is "[a] court administering equity and proceeding according to the forms and principles of equity." BLACK'S LAW DICTIONARY 321 (5th ed. 1979).

were fraudulent.[9] The Court of Chancery dismissed Smith's case. On appeal, Smith argued that equity courts and courts of law possessed concurrent jurisdiction over fraud claims, and that the Court of Chancery thus erred in dismissing his case.[10] That argument worked against Smith, however, as it led the Supreme Court to announce a policy that would reverberate through cases decided in the next century and beyond: "In all cases of concurrent jurisdiction, the Court which first has possession of the subject must decide it."[11] Applying that policy, the Supreme Court affirmed the dismissal of Smith's case based upon the earlier judgment obtained by McIver.[12]

In *Rickey Land & Cattle Co. v. Miller & Lux*,[13] the Supreme Court extended the reasoning of *Smith v. McIver*, though not citing that decision, to a state court / federal court context. *Rickey Land* involved a riparian rights dispute regarding the Walker River, which ran through both Nevada and California. Miller & Lux, a corporation using the river in Nevada, brought suit in a Nevada federal court seeking an injunction against Rickey and other defendants in California, restraining them from interfering with Miller & Lux's use of the water. Subsequently, a corporation formed by Rickey brought an action in a California state court to quiet title to water rights involving forks in the Walker River existing in California. Miller & Lux then appeared in the California action, seeking an injunction against Rickey's corporation to restrain proceedings in that action, on the ground that the Nevada federal court first acquired jurisdiction over the dispute. The California state court granted that relief.[14] The Supreme Court affirmed, holding: "[T]he substantive issues in the Nevada and California suits were so far the same that the court first seised should proceed to the determination without interference, on the principles now well settled as between the courts of the United States and of the states."[15]

In the 1941 case of *Crosley Corp. v. Hazeltine Corp.*,[16] the United States Court of Appeals for the Third Circuit applied *Smith v. McIver* to duplicative patent cases respectively filed in Delaware and Ohio federal district courts. In *Crosley*, Hazeltine served a notice on Crosley, claiming that Crosley was infringing 22 Hazeltine patents. Crosley brought a declaratory judgment action in the Delaware court as to 20 of the patents specified in Hazeltine's notice. Seventeen days later, Hazeltine filed nine separate infringement lawsuits against Crosley in the Ohio court, concerning 15 of the 20 patents already involved in Crosley's declaratory judgment action in Delaware. Crosley moved the Delaware court to enjoin Hazeltine from proceeding with the Ohio actions pending resolution of the Delaware action. The Delaware court denied Crosley's motion, prompting Crosley's appeal.[17] The Third Circuit reversed, concluding that the Delaware court abused its discretion in denying injunctive relief.[18] In so doing, the Third Circuit elaborated upon the "salutary rule" of *Smith v. McIver*:

> ***The party who first brings a controversy into a court of competent jurisdiction for adjudication should, so far as our dual system permits, be free from the vexation of subsequent litigation over the same subject matter.*** The economic waste involved in duplicating litigation is obvious. Equally important is its adverse effect upon the prompt and efficient administration of justice. In view of the constant increase in judicial business in the federal courts and the continual necessity of adding to the number of judges, at the expense of the taxpayers, public policy requires us to seek actively to avoid the waste of judicial time and energy.

9 *Smith v. McIver*, 22 U.S. at 533.
10 *Id.* at 535.
11 *Id.*; *see also Keating Fibre Int'l, Inc. v. Weyerhaeuser Co.*, 416 F.Supp.2d 1048, 1051 (E.D. Pa. 2006) (citing quoted text from *Smith*).
12 *Smith v. McIver*, 22 U.S at 537.
13 218 U.S. 258 (1910).
14 *Rickey Land*, 218 U.S. at 259-60.
15 *Id.* at 262-63 (citations omitted).
16 122 F.2d 925, 51 U.S.P.Q. 1 (3d Cir. 1941).
17 *Id.*, 122 F.2d at 926-27, 51 U.S.P.Q. at 2.
18 *Id.*, 122 F.2d at 929-30, 51 U.S.P.Q. at 4-5.

> Courts already heavily burdened with litigation with which they must of necessity deal should therefore not be called upon to duplicate each other's work in cases involving the same issues and the same parties.
>
> ***What has been said applies, we think, with especial force to patent suits***, such as the one before us, brought under the Declaratory Judgment Act, 28 U.S.C.A. § 400.[19]

In *Kerotest Mfg. Co. v. C-O Two Fire Equip. Co.*,[20] the Supreme Court likewise applied FTF principles in a patent case. There, C-O Two acted first, filing an infringement action in Illinois against Acme Equipment Company ("Acme"), a distributor of Kerotest fire extinguishing products. Almost two months later, Kerotest brought a declaratory judgment action in Delaware regarding the two patents at issue in the Illinois lawsuit.[21] Shortly thereafter, C-O Two amended its complaint in the Illinois action, joining Kerotest as a party defendant. Following proceedings involving a temporary stay of the Delaware action, which included an earlier appeal to the Third Circuit resulting in affirmation of that stay, the Delaware court (with a different judge presiding) enjoined C-O Two from proceeding with the Illinois action. That judge grounded such relief on Kerotest having filed suit in Delaware before it was made a party to the Illinois action.[22] On appeal, the Third Circuit reversed, admonishing:

> "[T]his rule is not to be applied in a mechanical way regardless of other considerations."…[T]he real question is not whether "another suit" has been "previously" or "subsequently" begun between the parties but whether the relief sought can be "more expeditiously and effectively afforded (in the other suit) than in the declaratory proceeding." We adhere to that view.[23]

The Supreme Court validated the Third Circuit's emphasis upon the discretionary nature of resolving duplicative litigation matters:

> The Federal Declaratory Judgments Act, facilitating as it does the initiation of litigation by different parties to many-sided transactions, has created complicated problems for coordinate courts. Wise judicial administration, giving regard to conservation of judicial resources and comprehensive disposition of litigation, does not counsel rigid mechanical solution of such problems. The factors relevant to wise administration here are equitable in nature. Necessarily, an ample degree of discretion, appropriate for disciplined and experienced judges, must be left to the lower courts.
>
> * * *
>
> The manufacturer who is charged with infringing a patent cannot stretch the Federal Declaratory Judgments Act to give him a paramount right to choose the forum for trying out questions of infringement and validity. ***He is given an equal start in the race to the courthouse, not a headstart.*** If he is forehanded, subsequent suits against him by the patentee can ***within the trial court's discretion*** be enjoined pending determination of the declaratory judgment suit, and a judgment in his favor bars suits against his customers.[24]

---

19 *Id.*, 122 F.2d at 930, 51 U.S.P.Q. at 5 (emphasis added).
20 342 U.S. 180, 92 U.S.P.Q. 1 (1952).
21 *Kerotest*, 342 U.S. at 181-82, 92 U.S.P.Q. at 2.
22 *Id.*, 342 U.S. at 182-83, 92 U.S.P.Q. at 2.
23 *Kerotest Mfg. Co. v. C-O Two Fire Equip. Co.*, 189 F.2d 31, 34-35, 89 U.S.P.Q. 411, 414 (3d Cir. 1951) (citations omitted).
24 *Kerotest*, 342 U.S. at 183-84 & 185-86, 92 U.S.P.Q. at 2-3 (footnotes omitted; emphasis added).

B. Weight Accorded to FTF Rule Between *Kerotest* and *Micron*

1. The 1950's Through the 1970's: Evolution from "General Principles" to a "Rule" Not to be "Disregarded Lightly"

Some cases decided shortly after *Kerotest* characterized the holdings of *Crosley* and *Kerotest* as "general principles," one citing both cases and stating: "As between coordinate courts of the same sovereignty, involved in duplicate litigation, that prior in time should have precedence, assuming that other factors, such as convenience of the parties, expedition and effectiveness of judgment, do not countervail."[25] In the 1963 decision of *Ultronic Sys. Corp. v. Ultronix, Inc.*, the U.S. District Court for the District of Delaware characterized the "principles" of *Kerotest* by de-emphasizing the significance of filing sequence: "*regardless of priority*, a case should be tried where the relief sought can be more expeditiously and effectively afforded, with a view toward conservation of judicial resources."[26]

Another early 1960's decision cited both *Crosley* and *Smith v. McIver,* and held that the filing sequence, while not determinative of patent venue battles, "is a consideration of some weight."[27] Beginning with its 1965 decision *Mattel, Inc. v. Louis Marx & Co.*,[28] the Second Circuit referred to the FTF "rule," more specifically, "the 'first filed' rule of priority,"[29] in marked contrast to *Ultronic*. That same year, the Tenth Circuit also used the term "rule."[30]

Subsequent decisions through the 1970's associated the expression "first-to-file" (or "first-filed") with either the term "rule," "principle," or "doctrine," but regardless of the term used, cited either the "rule"-denominating Second Circuit cases from the 1960's[31] or *Crosley*.[32] In two other 1970's cases, the Seventh and Ninth Circuits associated the term "rule" with a "comity doctrine" generally favoring the forum of the first-filed suit,[33] the Ninth Circuit declaring: "We emphasize that the 'first to file' rule normally serves the purpose of promoting efficiency well and should not be disregarded lightly."[34] That emphasis closed the 1970's line of cases and heralded the increased significance that the FTF Rule was to enjoy in ensuing decades.

---

25 *Emerson Elec. Mfg. Co. v. Emerson Radio and Phonograph Corp.*, 140 F. Supp. 588, 590, 109 U.S.P.Q. 310, 311 (D.N.J. 1956) (trademark case); *see also State Farm Mut. Auto. Ins. Co. v. Bonwell*, 248 F.2d 862, 865 (8th Cir. 1957) (citing *Kerotest*).

26 217 F. Supp. 89, 90, 137 U.S.P.Q. 500, 501 (D. Del. 1962) (italics added).

27 *Turbo Mach. Co.. v. Proctor & Schwartz, Inc.*, 204 F. Supp. 39, 41-42, 133 U.S.P.Q. 339, 340 (E.D. Pa. 1962).

28 353 F.2d 421, 147 U.S.P.Q. 506 (2d Cir. 1965).

29 *Mattel*, 353 F.2d at 424 n.4, 147 U.S.P.Q. at 507 n.4; *see also William Gluckin & Co. v. Int'l Playtex Corp.*, 407 F.2d 177, 178, 160 U.S.P.Q. 513 (2d Cir. 1969).

30 *Cessna Aircraft Co. v. Brown*, 348 F.2d 689, 698 (10th Cir. 1965) ("The rule is that the first federal district court which obtains jurisdiction of parties and issues should have priority….").

31 *See Ellicott Mach. Corp. v. Modern Welding Co.*, 502 F.2d 178, 180 n.2 (4th Cir. 1974) (referring to "'first-to-file' principle," *citing Mattel*); *Codex Corp. v. Milgo Elec. Corp.*, 553 F.2d 735, 737, 194 U.S.P.Q. 49, 50 (1st Cir. 1977) (referring to "first-filed rule," *citing Mattel*); *Hemstreet v. Spiegel, Inc.*, 211 U.S.P.Q. 598, 598-99 (N.D. Ill. 1978) (referring to "general rule," *citing William Gluckin*); *cf. Meeropol v. Nizer*, 505 F.2d 232, 235, 183 U.S.P.Q. 513, 514 (2d Cir. 1974) (using "rule" but citing to neither *Mattel* nor *William Gluckin*). As will be seen *infra*, cases such as *Ellicott*, *Codex*, and *Hemstreet* represent a marked willingness of federal courts to look to law beyond their own circuits when confronted with duplicative litigation.

32 *Cosden Oil & Chem. Co. v. Foster Grant Co.*, 432 F. Supp. 956, 970, 200 U.S.P.Q. 220, 223 (D. Del. 1977), *aff'd mem.*, 577 F.2d 725 (3d Cir. 1978).

33 *Great N. Ry. Co. v. Nat'l Ry. Adjustment Bd. First Div.*, 422 F.2d 1187, 1193 (7th Cir. 1970); *Church of Scientology of Cal. v. United States Dept. of the Army*, 611 F.2d 738, 749-50 (9th Cir. 1979). *See also Mann Mfg., Inc. v. Hortex, Inc.*, 439 F.2d 403, 408 & n.6, 169 U.S.P.Q. 129, 132 & n.6 (5th Cir. 1971) (*citing Rickey Land* and chiding second-filed court for having "seriously interfered" with power of first-filed court to supervise its own injunction).

34 *Church of Scientology*, 611 F.2d at 750.

2. The 1980's: Enter the Eleventh and Federal Circuits; Presumption Emerges

Federal legislation established the U.S. Courts of Appeal for the Eleventh and Federal Circuits on October 1, 1981 and 1982, respectively.[35] The 1980's would see the Federal Circuit resort to regional circuit law, and the Eleventh Circuit extend FTF Rule precedent from the former Fifth Circuit. Additionally, the Seventh Circuit in the trademark case of *Tempco Elec. Heater Corp. v. Omega Eng'g Corp.* affirmatively declared that it had never adopted a FTF Rule, and automatically favored an infringement action over a declaratory judgment action, even when the infringement action was not filed first.[36] Other courts, however, continued to apply the FTF Rule under the precedent from earlier decades,[37] with the Second, Third, and Ninth Circuits having contributed additional developments.

a. The Beginnings of a Presumption Favoring the First-Filed Forum

In *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Haydu*, the Eleventh Circuit affirmed a Florida federal court's order dismissing a petition to compel arbitration in light of an earlier-filed proceeding in state court.[38] Echoing *Rickey Land*, the Eleventh Circuit held:

> The matter was first presented to the state court which first decided the question. In absence of ***compelling circumstances***, the court initially seized of a controversy should be the one to decide the case. *Mann* [*supra*]. It should make no difference whether the competing courts are both federal courts or a state and federal court with undisputed concurrent jurisdiction.[39]

Thus, for the first time known, a court required "compelling circumstances" to divest the first-filed forum of jurisdiction. Notably, *Mann*, the case cited, did not impose such a threshold. Yet the Second and Third Circuits would join the Eleventh Circuit later that decade. In a 1988 decision, the Third Circuit held: "We emphasize, however, that invocation of the rule will usually be the norm, not the exception. Courts must be presented with ***exceptional circumstances*** before exercising their discretion to depart from the first-filed rule."[40] Also in 1988, a district court within the Second Circuit held: "This so-called 'first filed' rule acts as a 'presumption' that may be rebutted by proof of the desirability of proceeding in the forum of the second-filed action."[41] A year later, the Second Circuit itself adopted and quoted a district court's perception of the rule as a rebuttable presumption.[42]

b. Federal Circuit Applies Regional Law and Refers to Presumption

In *Kahn v. General Motors Corp.*, the Federal Circuit, addressing the FTF Rule for the first time, decided an appeal from an order by the Southern District of New York staying the action first filed in that court, in favor of a second-filed action pending in an Illinois federal court.[43] Judge Pauline Newman, writing for the Federal Circuit, did not

---

35 *Bonner v. City of Prichard*, 661 F.2d 1206, 1207 (11th Cir. 1981); *South Corp. v. United States*, 690 F.2d 1368, 1369, 215 U.S.P.Q. 657 (Fed. Cir. 1982).

36 819 F.2d 746, 749-50, 2 U.S.P.Q.2d 1930, 1933-34 (7th Cir. 1987).

37 *See Hospah Coal. Co. v. Chaco Energy Co.*, 673 F.2d 1161, 1163 (10th Cir. 1982) (citing case which, in turn, cited *Cessna*); *Orthmann v. Apple River Campground, Inc.*, 765 F.2d 119, 121 (8th Cir. 1985) (citing *Hospah*); *West Gulf Maritime Assoc. v. ILA Deep Sea Local 24*, 751 F.2d 721, 728-30 (5th Cir. 1985) (discussing *Kerotest* and *Mann*); *Am. Modern Home Ins. v. Insured Accounts Co.*, 704 F. Supp. 128, 129-30 (S.D. Ohio 1988) (*citing Smith v. McIver* and *Crosley*).

38 675 F.2d 1169, 1172 (11th Cir. 1982).

39 *Merrill Lynch*, 675 F.2d at 1174 (emphasis added).

40 *E.E.O.C. v. Univ. of Pa.*, 850 F.2d 969, 979 (3d Cir. 1988) (emphasis added), *aff'd on other grounds*, 493 U.S. 182 (1990)..

41 *Berisford Capital Corp. v. Central States, Southeast and Southwest Areas Pension Fund*, 677 F. Supp. 220, 222 (S.D.N.Y. 1988).

42 *First City Nat'l Bank and Trust Co. v. Simmons*, 878 F.2d 76, 80 (2d Cir. 1989).

43 889 F.2d 1078, 12 U.S.P.Q.2d 1997 (Fed. Cir. 1989).

expressly state that application of the FTF Rule was a matter of regional circuit law, but Judge Newman's opinion focused on Second Circuit FTF case law, as well as on *Kerotest*.[44] Notably, the *Kahn* opinion mentioned *Kerotest*, then stated: "Absence of entitlement of General Motors to the customer suit exception, the factors of the balance of convenience and the ***presumptive* right of the first litigant to choose the forum** weigh heavily in Kahn's favor," and such conclusions led the Federal Circuit to vacate the stay.[45]

3. The 1990's: *Genentech*, *Serco*, and Other FTF Developments

a. The Federal Circuit's *Genentech* and *Serco* Decisions

In *Genentech v. Eli Lilly Co.*,[46] Genentech had filed a declaratory judgment action against both Eli Lilly and the Regents of the University of California ("the University"), in the Southern District of Indiana. The next day, the University filed an infringement action in the Northern District of California, and followed that with a motion in the Indiana court to dismiss the action there.[47] The Indiana court, relying on *Tempco*, granted the University's motion and declined to exercise jurisdiction over Genentech's action.[48] The Federal Circuit vacated that court's order.[49]

The *Genentech* court began its analysis by announcing its refusal to apply *Tempco* to patent cases, remarking that "the regional circuit practice need not control when the question is important to national uniformity in patent practice," then stating:

> We prefer to apply in patent cases the general rule whereby the forum of the first-filed case is favored, unless considerations of judicial and litigant economy, and the just and effective disposition of disputes, require otherwise.
> * * *
> The general rule favors the forum of the first-filed action, whether or not it is a declaratory action. Exceptions, however, are not rare, and are made when justice or expediency requires, as in any issue of choice of forum.
> * * *
> [T]he trial court's discretion tempers the preference for the first-filed suit, when such preference should yield to the forum in which all interests are best served. [*Kerotest*] at 184, 72 S.Ct. at 221, 92 USPQ at 2. ***There must, however, be sound reason that would make it unjust or inefficient to continue the first-filed action.***[50]

In *Serco Services Co., L.P. v. Kelly Co.*,[51] the Federal Circuit acknowledged *Genentech* but ultimately affirmed a district court's decision to dismiss Serco's first-filed declaratory judgment action in favor of a second-filed infringement action. The Federal Circuit saw no abuse of discretion by the district court, which found that Serco intended to

---

44 *Kahn*, 889 F.2d at 1081-83, 12 U.S.P.Q.2d at 1999-2000; *see also id.*, 889 F.2d at 1081, 12 U.S.P.Q.2d at 1999 ("The general rule, ***and the rule in the Second Circuit***, is that 'as a principle of sound judicial administration, the first suit should have priority,' absent special circumstances.") (emphasis added; citations omitted).

45 *Id.*, 889 F.2d at 1082-83, 12 U.S.P.Q.2d at 2001 (emphasis added).

46 998 F.2d 931, 27 U.S.P.Q.2d 1241 (Fed. Cir. 1993), *abrogated on grounds regarding scope of appellate review*, *Wilton v. Seven Falls Co.*, 515 U.S. 277 (1995) .

47 *Genentech*, 998 F.2d at 935, 27 U.S.P.Q.2d at 1243.

48 *Id.*, 998 F.2d at 937, 27 U.S.P.Q.2d at 1244.

49 *Id.*, 998 F.2d at 949, 27 U.S.P.Q.2d at 1254. Genentech asserted counts other than declaratory judgment; however, discussion of those other counts is beyond the scope of this article.

50 *Id.*, 998 F.2d at 937-38, 27 U.S.P.Q.2d at 1244 (emphasis added; citation omitted).

51 51 F.3d 1037, 34 U.S.P.Q.2d 1217 (Fed. Cir. 1995).

"preempt" Kelly's infringement action and that convenience factors favored the second-filed forum.[52] Notably, the court remarked: "The creation of this court has in large part tempered the impact of traditional forum shopping in patent cases, ***so the stakes of a race to the courthouse are less severe***."[53]

b. Other 1990's Developments

(i) Clarifying When the FTF Rule Applies

Obviously the FTF Rule will apply when the issues and parties between two lawsuits are identical and when one party can show that it filed its legal action before the opponent.[54] However, at least as early as the 1970's, courts began expressing that the FTF Rule can be applied even where the two lawsuits are not identical.[55] Some cases in the 1990s developed that concept further by clarifying standards for applying the FTF Rule. For instance, in *Alltrade, Inc. v. Uniweld Products, Inc.*, the Ninth Circuit identified three factors for consideration: (1) filing chronology; (2) identity of parties involved; and (3) "similarity of the issues at stake."[56] Acknowledging the *Alltrade* factors, a district court in the Sixth Circuit noted: "However, the same party and same issue is not an absolute requirement,"[57] though another such court required "nearly identical parties and issues."[58] The Fifth Circuit, by comparison, merely required that the issues alone "substantially overlap."[59] Regardless of the precise standard used, courts developed an analytical framework wherein they first determine whether the FTF Rule applies and then, if so, assess whether equitable factors militate against enforcing that rule,[60] though a majority of courts require the first-filed forum to make that assessment (*see* Part II.C., *infra*). Courts recognize a variety of exceptions to the FTF Rule.[61]

(ii) Increased Recognition of FTF Rule as a "Presumption"

In the 1990's, the Eighth Circuit endorsed the Third and Eleventh Circuits' FTF exception thresholds by holding: "The prevailing standard is that 'in the absence of compelling circumstances,' *Merrill Lynch* [*supra*], the first-filed rule should apply."[62] Applying that standard, a district court within the Eighth Circuit explained: "Thus, the rule is ***more than a 'starting place'*** for the analysis, but instead states a ***rebuttable presumption*** that the first-filed suit

52 *Serco*, 51 F.3d at 1040, 34 U.S.P.Q.2d at 1219.
53 *Id.* (emphasis added). Interestingly, *Micron* does not acknowledge this quote from *Serco*.
54 *Lab Corp.*, 384 F.3d at 1328, 72 U.S.P.Q.2d at 1747; *E.E.O.C.*, 850 F.2d at 971.
55 *See, e.g.*, *Meeropol*, 505 F.2d at 235, 183 U.S.P.Q. at 514.
56 946 F.2d 622, 625, 20 U.S.P.Q.2d 1698, 1700 (9th Cir. 1991).
57 *Plating Resources, Inc. v. UTI Corp.*, 47 F.Supp.2d 899, 903 (N.D. Ohio 1999).
58 *Plantronics, Inc. v. Clarity, LLC*, No. 1:02-CV-126, 2002 WL 32059746, at *2 (E.D. Tenn. July 17, 2002).
59 *Cadle*, 174 F.3d at 603.
60 *Plating Resources*, 47 F.Supp.2d at 905; *see also Plantronics*, 2002 WL 32059746, at *2-*3.
61 *See Alltrade*, 946 F.2d at 928, 20 U.S.P.Q.2d at 1702 ("The circumstances under which an exception to the first-to-file rule typically will be made include bad faith, anticipatory suit, and forum shopping.") (citations omitted). Other recognized exceptions include: (1) the "customer suit" exception, *Kahn*, 889 F.2d at 1081, 12 U.S.P.Q.2d at 1999-2000; (2) proof of § 1404(a) "convenience factors," *Pharm. Resources, Inc. v. Alpharma USPD, Inc.*, No. 02 CIV.1015 LMM, 2002 WL 987299, at *4 (S.D.N.Y. May 13, 2002); and (3) the "dead heat" exception, where courts will not accord analytical weight to the FTF Rule if the competing filings were close in time, or if it is impossible to tell who filed first. *See Terra Int'l, Inc. v. Miss. Chem. Co.*, 922 F. Supp. 1334, 1351-53 (N.D. Iowa 1996) (discussing precedent), *aff'd on other grounds*, 119 F.3d 688 (8th Cir. 1997). Regarding (3), not all courts follow a "dead heat" exception when time between filings can be ascertained. *See, e.g., Lab. Corp.*, 384 F.3d at 1332, 72 U.S.P.Q.2d at 1750 (no clear error in applying FTF Rule to case filed four hours before filing of parallel case).
62 *U.S. Fire Ins. Co. v. Goodyear Tire & Rubber Co.*, 920 F.2d 487, 488-89 (8th Cir. 1990); *Northwest Airlines, Inc. v. Am. Airlines, Inc.* 989 F.2d 1002, 1005 (8th Cir. 1993).

should have priority."[63] Extending that view, a court within the Second Circuit stated: "Generally, there is a strong presumption in favor of the forum of the first filed suit."[64]

4. The Pre-*Micron* 21st Century

a. *Lab Corp.*: Federal Circuit Applies Own Law to Anti-Suit Injunctions

In *Laboratory Corp. of America Holdings v. Chiron Corp.*, the Federal Circuit affirmed an order by the Delaware District Court enjoining Chiron from prosecuting a second-filed infringement action in the Northern District of California.[65] The Federal Circuit faced a threshold choice-of-law issue: whether Third Circuit law applied on the question of direct appealability of the Delaware court's order under 28 U.S.C. § 1292(a)(1). Under Third Circuit law, unlike that of other circuits, orders enjoining prosecution of co-pending litigation were not appealable under § 1292(a)(1).[66] The Federal Circuit quoted the following precedent:

> "We have held that a procedural issue that is not itself a substantive patent law issue is nonetheless governed by Federal Circuit law if the issue pertains to patent law, if it bears an essential relationship to matters committed to our exclusive control by statute, or if it clearly implicates the jurisprudential responsibilities of this court in a field within its exclusive jurisdiction."[67]

After citing other precedent, including that applying Federal Circuit law to review of preliminary injunctions, the *Lab Corp.* panel held:

> Accordingly, and because of the importance of national uniformity in patent cases, we hold that injunctions arbitrating between co-pending patent declaratory judgment and infringement cases in different district courts are reviewed under the law of the Federal Circuit.[68]

The breadth of that choice-of-law holding extends further than was necessary to resolve the particular issue. The *Lab Corp.* panel could have restricted the application of Federal Circuit law to appealability of anti-suit injunctions based upon the FTF Rule, or even appealability of any remedy granted upon resolution of a FTF Rule issue, but it went beyond appealability and announced application of Federal Circuit law to anti-suit injunctions in general.

As of the time of this writing, only two cases have cited *Lab Corp.* for its above-quoted choice-of-law holding.[69] Other district court patent decisions omit citation to *Lab Corp.* altogether and continue to apply Supreme Court and regional circuit standards, only sometimes acknowledging *Genentech*.[70] This may not be necessarily due to a

---

63 *Terra Int'l*, 922 F. Supp. at 1353 n.13 (emphasis added).

64 *Novo Nordisk of N. Am., Inc. v. Genentech, Inc.*, 874 F. Supp. 630, 632 (S.D.N.Y. 1995).

65 384 F.3d 1326, 1327, 72 U.S.P.Q.2d 1745, 1746 (Fed. Cir. 2004).

66 *Id.*, 384 F.3d at 1328, 72 U.S.P.Q.2d at 1748-49.

67 *Id.*, 384 F.3d at 1330, 72 U.S.P.Q.2d at 1748 (*quoting Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1359, 50 U.S.P.Q.2d 1672, 1675 (Fed. Cir. 1999)).

68 *Lab. Corp.*, 384 F.3d at 1331, 72 U.S.P.Q.2d at 1749.

69 *ProBatter Sports, LLC v. Joyner Tech., Inc.*, 463 F.Supp.2d 949, 954 (N.D. Iowa 2006); *Thales Airborne Sys., S.A. v. Univ. Avionics Sys. Corp.*, No. Civ. 05-853-SLR, 2006 WL 1749399, at *4 (D. Del. Jun. 21, 2006).

70 *See, for example, Time Warner Cable, Inc. v. USA Video Tech. Corp.*, 520 F.Supp.2d 579, 585-86 & nn. 49-54 (D. Del. 2007) (citing Third Circuit cases – *Kerotest, Crosley, and E.E.O.C.,* as well as *West Gulf,* and district court cases, one of which cited *Genentech*); *Intuitive Surgical, Inc. v. Cal. Inst. of Tech.*, No. C07-0063-CW, 2007 WL 1150787, at *2 (N.D. Cal. Apr. 18, 2007) (citing Ninth Circuit cases – *Church of Scientology, Pacesetter*, and *Alltrade*, and district court case, as well as *Genentech*); *Tiber Labs., Inc. v. Cypress Pharms., Inc.*, No. 2:07-CV-0014-RWS, 2007 WL 3216625, at *2 (N.D. Ga. May 11, 2007) (citing Eleventh Circuit, Fifth Circuit, and district court

reluctance to apply Federal Circuit law as much it may be to the lack of development concerning specific issues associated with the FTF Rule.[71] Indeed, one district court specifically held: "When deciding patent matters based upon particular aspects of the first-to-file rule on which the Federal Circuit has been silent, district courts look to understandings of the doctrine as developed generally in the federal courts."[72] As will be seen, the Federal Circuit in *Micron* left particular questions about the FTF Rule unanswered; thus, district courts may continue to rely on other federal common law to resolve those and other unanswered questions until the Federal Circuit answers them.

b. *Electronics for Imaging*: Diminishing "Anticipatory" Exception?

In ascertaining the availability of the "anticipatory suit" exception to enforcement of the FTF Rule, "courts have taken the realistic approach that declaratory judgments are by nature 'anticipatory,' and that there is a natural desire by all parties to select a preferred forum and gain the initiative of being a plaintiff."[73] The exception remains viable, however, when a party sends a communication threatening to file suit by a date certain, and the recipient brings suit to preempt the lawsuit specified in the communication.[74]

Yet even a date-certain ultimatum could not bring the Federal Circuit to affirm the dismissal of a declaratory judgment suit in *Electronics for Imaging, Inc. v. Coyle*.[75] On December 5, 2001, Coyle issued an ultimatum to Electronics for Imaging ("EFI"), warning that unless the parties could reach an agreement by December 15, 2001 concerning technology claimed in an application that would soon mature into a patent to Coyle, he would file suit.[76] Nevertheless, four days before Mr. Coyle's specified deadline, EFI filed a declaratory judgment action in the Northern District of California, praying for a declaratory judgment that it neither misappropriated Coyle's trade secrets nor breached non-disclosure agreements executed years earlier. Mr. Coyle's patent issued on January 8, 2002. That same day, EFI amended its complaint to add a count for declaratory judgment as to that patent. Coyle moved to dismiss EFI's lawsuit on several grounds, including "failure to comport with the objectives of the Declaratory Judgment Act."[77] Eventually, the district court granted Coyle's motion on the ground that EFI's lawsuit was anticipatory, given the specific deadline in Coyle's ultimatum.[78] The Federal Circuit reversed and remanded, finding that the district court abused its discretion.[79]

The *Electronics for Imaging* panel invoked FTF principles, citing repeatedly to *Genentech*.[80] However, there was no duplicative lawsuit filed by Coyle against EFI at the time of the district court's dismissal.[81] One may wonder whether

---

cases); *Scanner Tech. Corp. v. NVIDIA Corp.*, No. 9:06cv205, 2007 WL 2177449, at *3-*4 (E.D. Tex. Jul. 26, 2007) (citing Fifth Circuit, Supreme Court, and district court decisions); *Z-Man Fishing Prods., Inc. v. Applied Elastomerics, Inc.*, No. 2:06-2022-CWH, 2006 WL 3813707, at *4 (D.S.C. Dec. 27, 2006) (citing Fourth Circuit law); *Bowe, Bell + Howell Co. v. Mid-South Techs., LLC*, No. Civ.A. 05C-571, 2005 WL 1651167, at *2-*3 (N.D. Ill. Jun. 30, 2005) (citing district court cases and *Genentech*).

71 *Bridgelux, Inc. v. Cree, Inc.*, No. C 06-6495 PJH, 2007 WL 2022024, at *5 (N.D. Cal. Jul. 9, 2007) ("The Federal Circuit has not provided much additional guidance with regard to the application of the first-to-file rule.") (applying Ninth Circuit law to FTF Rule analysis).

72 *Shire U.S., Inc. v. Johnson Matthey, Inc.*, No. 07-CV-2958, 2008 WL 399333, at *3 (E.D. Pa. Feb. 14, 2008); *see also id.* ("The Federal Circuit has not expressly stated a view as to whether, in patent cases, the first-to-file rule applies only where the concurrent actions at issue involve identical parties.") (proceeding to cite law from other courts bearing on issue).

73 *Viacom Int'l, Inc. v. Melvin Simon Prods., Inc.*, 774 F. Supp. 858, 867 (S.D.N.Y. 1991).

74 *Employers Ins. of Wausau v. Fox Enter. Group, Inc.*, ___ F.3d ___, 2008 WL 817509, at *4 (2d Cir. Mar. 27, 2008); *Schnabel v. Ramsey Quantitative Sys., Inc.*, 322 F.Supp.2d 505, 512 (S.D.N.Y. 2004) (same); *Keating Fibre*, 416 F.Supp.2d at 1052 (same circumstances supporting "bad faith" exception to FTF Rule).

75 394 F.3d 1341, 73 U.S.P.Q.2d 1528 (Fed. Cir. 2005).

76 *Elecs. for Imaging*, 394 F.3d at 1344, 73 U.S.P.Q.2d at 1529-30.

77 *Id.*

78 *Id.*, 394 F.3d at 1344-45, 73 U.S.P.Q.2d at 1530.

79 *Id.*, 394 F.3d at 1348, 73 U.S.P.Q.2d at 1533.

80 *Id.*, 394 F.3d at 1347-48, 73 U.S.P.Q.2d at 1532.

81 Coyle ultimately sued EFI in the District of Arizona, in May 2004. *Id.*, 394 F.3d at 1344 n.2, 73 U.S.P.Q.2d at 1529 n.2. Coyle's

the CAF went out of its way to weaken the "anticipatory" FTF Rule exception. Yet the result in *Electronics for Imaging* may be attributable to its particular facts: "Given that Coyle had a record of threatening suit in such clear and descriptive language *without always following through promptly on those threats*, EFI was not required to await suit by Coyle."[82] Put differently, a history of failing to follow through can create indefiniteness as to contemplated action even in the face of a date-certain ultimatum.

c. Increased Traction for the FTF Presumption

Cases from the 21st century up until *Mircon* saw the presumption-oriented concept of the FTF Rule continue its prominence not only in courts within the Second[83] and Third[84] Circuits, but also the Eleventh Circuit, which announced: "Where two actions involving overlapping issues and parties are pending in two federal courts, there is a ***strong presumption across the federal circuits*** that favors the forum of the first-filed suit under the first-filed rule."[85] A district court in the Fourth Circuit recognized the burden-shifting aspects of the FTF Rule in a patent case.[86] Furthermore, at least two decisions in this time period observed that the FTF Rule is applied with particular vigor in patent cases.[87]

C. The First-Filed Court Decides Venue Issues

Before *Micron*, the FTF Rule not only placed burdens upon the second-filer to produce evidence bearing upon exceptions to the rule, it also dictated which forum would decide the fate of the case. As early as 1961, the Second Circuit recognized a "basic proposition that the first court to obtain jurisdiction of the parties and of the issues should have priority over a second court to do so," and that "[s]ound judicial discretion dictates that the second court decline its consideration of the action before it until the prior action before the first court is terminated."[88] The Tenth Circuit echoed those principals just four years later in its *Cessna* decision.[89] In 1982, that court decided *Hospah Coal*, in which it extended *Cessna* by holding that as between two courts presiding over duplicative litigation, the court to which jurisdiction first attaches, *i.e.*, the court in which the first-filed action resides, "should be allowed to first decide issues of venue."[90] That same year would see a major decision from the Ninth Circuit advocating such deference.

Arizona action, however, did not exist when the California court dismissed EFI's action, in February 2004. *Id.*, 394 F.3d at 1344-45, 73 U.S.P.Q.2d at 1530.

82 *Id.*, 394 F.3d at 1347, 73 U.S.P.Q.2d at 1532 (italics added).

83 *Aerotel, Ltd. v. Sprint Corp.*, 100 F.Supp.2d 189, 195 (S.D.N.Y. 2000) ("strong presumption"); *Int'l Sec. Exchange, LLC v. Chicago Bd. Options Exchange, Inc.*, No. 06 Civ. 13445(RMB)(THK), 2007 WL 2319128, at *2 (S.D.N.Y. Aug. 9, 2007) (same); *Citicorp Leasing, Inc. v. United Am. Fundraising, Inc.*, No. 03 Civ. 1586 (WHP), 2004 WL 102761, at *5 (S.D.N.Y. Jan. 21, 2004) (presumption).

84 *APV N. Am., Inc. v. Sig Simonazzi N. Am., Inc.*, 295 F.Supp.2d 393, 396 (D. Del. 2002) ("exceptional circumstances"); *Miteq, Inc. v. Comtel Comm. Corp.*, No. Civ.A. 02-1336-SLR, 2003 WL 179991, at *2 (D. Del. Jan. 23, 2003) (same).

85 *Manuel v. Convergys Corp.*, 430 F.3d 1132, 1135 (11th Cir. 2005) (emphasis added). While *Manuel* was not a patent case, subsequent patent cases within the Eleventh Circuit quoted the "strong presumption" standard from *Manuel*. *See Tiber Labs.*, 2007 WL 3216625, at *2; and *Chambers v. Cooney*, No. 07-0373-WS-B, 2007 WL 2493682, at *5 (S.D. Ala. Aug. 29, 2007) (second-filed action involving action to correct inventorship under 35 U.S.C. § 256).

86 *Z-Man Fishing Prods.*, 2006 WL 3813707, at *4 (District of South Carolina).

87 *Daimler-Chrysler Corp. v. Gen. Motors Corp.*, 133 F.Supp.2d 1041, 1043 n.2, 58 U.S.P.Q.2d 1471, 1473 n.2 (N.D. Ohio 2001) (The Federal Circuit has, however, held that the first to file rule will be applied more rigorously in patent cases…."); *Bowe, Bell + Howell Co.*, 2005 WL 1651167, at *3 (Northern District of Illinois) ("After *Genentech,* the courts have routinely dismissed subsequently filed actions by patentees in favor of first-filed declaratory actions.").

88 *Nat'l Equip. Rental Ltd. v. Fowler*, 287 F.2d 43, 45 (2d Cir. 1961) (citations omitted).

89 *Cessna*, 348 F.2d at 692 (*citing Nat'l Equip. Rental*).

90 *Hospah Coal*, 673 F.2d at 1163.

In *Pacesetter Systems, Inc. v. Medtronic, Inc.*,[91] the Ninth Circuit, after quoting its "should not be disregarded lightly" statement from its *Church of Scientology* decision, addressed an argument that the district court below, which declined to exercise jurisdiction over a second-filed declaratory judgment action, should have considered motion-to-transfer factors under 28 U.S.C. § 1404(a). The Ninth Circuit held that while it might be appropriate for a second-filed forum to consider such factors, such as in a case invoking the "customer suit exception," "normally the forum non conveniens argument should be addressed to the court in the first-filed action."[92] Citing *Kerotest*, it rejected any argument that the first-filed court would not adequately consider the convenience of the parties. It therefore affirmed the district court's decision.[93] Expanding upon *Pacesetter*'s rationale, another district court explained:

> There does not appear to be such universal authority for the assertion that a party may defeat application of the first to file rule simply by showing that the second forum is more convenient. Indeed, the latter concept would virtually abolish the efficiencies and certainty otherwise attributable to the rule. The more reasoned approach is that the second forum should generally follow the first to file rule and allow the first court to address the *forum non conveniens* issues via a § 1404(a) motion to transfer.[94]

In the 1990's, the Fifth Circuit continued to follow *Pacesetter*, as it had first done in its 1985 *West Gulf* decision,[95] and the First Circuit adopted its rationale.[96] Also that decade, and beyond, the Southern District of New York echoed the reasoning of *Mead Corp.* by holding that the first-filed court decides not only venue issues generally, but also specifically whether the second-filer sustained its burden to establish exceptions to the FTF Rule.[97] Other courts reached the same conclusion.[98]

In the pre-*Micron* 21st century, courts continued to grant forms of relief deferring to the first-filed court to determine the fate of the second-filed action.[99] One court commented: "Leaving the decision of the first to file dispute to the court in which the first case was filed makes good sense, as it establishes a bright line rule, which is as easy to apply as it is to understand."[100] Tallying courts according *Pacesetter*-type deference to first-filed courts since 1982, courts in every regional circuit, but not the Federal Circuit, granted such deference.

---

91 678 F.2d 93 (9th Cir. 1982).

92 *Pacesetter*, 678 F.2d at 95-96.

93 *Id.* at 96-97.

94 *Mead Corp. v. Stuart Hall Co.*, 679 F. Supp. 1446, 1454 (S.D. Ohio 1987) (*quoting* Memorandum and Order from U.S. District Court for the Western District of Missouri) (*citing Pacesetter*). *See also West Gulf*, 751 F.2d at 730 (Fifth Circuit discussing *Pacesetter*).

95 *See Save Power Ltd. v. Syntek Fin. Corp.*, 121 F.3d 947, 950 (5th Cir. 1997) (*citing West Gulf*); *Cadle*, 174 F.3d at 606 (*citing Save Power*).

96 *TPM Holdings, Inc. v. Intra-Gold Indus., Inc.*, 91 F.3d 1, 4 (1st Cir. 1996) (*citing West Gulf*).

97 *Ontel Prods. Inc. v. Prod. Strategies Corp.*, 899 F. Supp. 1144, 1150 n.9 (S.D.N.Y. 1995) ("Case law indicates that the court in which the first-filed case was brought decides the question of whether or not the first-filed rule, or alternatively, an exception to the first-filed rule, applies.") (*citing Weber-Stephen Prods. Co. v. Ivy Mar Co., Inc.*, No. 93 C. 5462, 1994 WL 11711 (N.D. Ill. Jan. 13, 1994)); *Citigroup, Inc. v. City Holding Co.*, 97 F.Supp.2d 549, 556 n.4 (S.D.N.Y. 2000) (*citing, inter alia, Nat'l Equip. Rentals* and *Ontel*); *Everest Capital, Ltd. v. Everest Funds Mgt., L.L.C.*, 178 F.Supp.2d 459, 464 n.3 (S.D.N.Y. 2002) (*citing Citigroup*).

98 *See, e.g., Affinity Memory & Micro, Inc. v. K & Q Enter., Inc.*, 20 F.Supp.2d 948, 954 & n.11 (E.D. Va. 1998) (*citing, inter alia, Ontel*); *Cruz v. Hartford Cas. Ins. Co.*, No. C.A.005--38S, 2005 WL 1231965, at *3 (D.R.I. May 20, 2005) (*quoting Ontel* and *citing Weber-Stephen*); *Aluminum Banking, Inc. v. Callery / Conway / Mars HV, Inc.*, No. 06-12038, 2006 WL 2193007, at *3 (E.D. Mich. Aug. 6, 2006) (*citing Ontel* and *quoting Weber-Stephen*); *Intuitive Surgical*, 2007 WL 1150787, at *3.

99 *See Intuitive Surgical*, 2007 WL 1150787, at *3 (N.D. Cal. following *Pacesetter*); *Old Town Canoe Co. v. Confluence Holdings Corp.*, No. Civ. 04-1660-AS, 2005 WL 552005, at *1 (D. Or. Mar. 7, 2005) (also following *Pacesetter*).

100 *Daimler-Chrysler*, 133 F.Supp.2d at 1043, 58 U.S.P.Q.2d at 1474 (citation omitted); *see also id.*, 133 F.Supp.2d at 1044, 58 U.S.P.Q.2d at 1474 (invoking comity principles) . Put another way in a recent patent case: "Thus, once the Court determines that a likelihood of substantial overlap exists between the two suits, it is no longer up to the second filed court to resolve the question of whether both should be allowed to proceed." *Tiber Labs.*, 2007 WL 3216625, at *2; *see also Walker Group, Inc. v. First Layer Comms., Inc.*, 333 F.Supp.2d 456, 460-61 (M.D.N.C. 2004) (*citing Cadle, supra*); *Plantronics*, 2002 WL 32059746, at *2 (*citing TPM Holdings*).

D. The Prominent Pre-*Micron* Role of the FTF Rule: A First Flow Chart Summary

1. Maintaining The Distinction

As shown, the FTF Rule plays a clearly-defined role: that of a traffic regulator, pointing the geographic direction in which the duplicative litigation should proceed. This is a unique function that should not be confused with a conventional § 1404(a) analysis. Courts would do well to clearly articulate whether they are ordering a transfer pursuant to the FTF Rule or, instead, § 1404(a), as did the district court in *Plantronics*.[101] The distinction remains crucial. An order either denying or granting a § 1404(a) motion becomes the law of the case, such that the case is then not subject to being transferred (if motion denied) or re-transferred (if motion granted), absent exceptional circumstances.[102] Furthermore, such orders are not directly appealable, and can only be reviewed by way of an interlocutory appeal or writ of mandamus.[103] By contrast, as will discussed in greater detail below, cases transferred pursuant to the FTF Rule may be freely re-transferred under § 1404(a), provided that one satisfies the requisites for such re-transfer.[104],[105] Moreover, if a court's enforcement of, or a refusal to enforce, the FTF Rule results in a case being *dismissed, stayed*, or subject to an *anti-suit injunction*, as opposed to being transferred, such orders *are* directly appealable.[106]

2. Appendix A: Flow Chart Item-by-Item Discussion

As used in the flow charts of Appendices A, B, and C, Party "A" is the party who filed suit in Forum "A", a federal district court; and Party "B" is the party who filed a duplicative suit in Forum "B", *i.e.*, a federal district court assumed to be different from Forum A.[107] Party A claims that it filed first. Here, "duplicative" means there is sufficient overlap of parties and/or issues between two cases to support a good-faith argument for application of the FTF Rule.

Referring to Appendix A, which charts the pre-*Micron* judicial process, at Shape $\#1_A$ (subscripted letters denoting Appendix designations), Party "A" files a motion in Forum "B" for a discretionary disposition of Party B's case. The term "discretionary disposition" contemplates the various forms of relief that result from enforcement of, or a refusal to enforce, the FTF Rule.[108] Each form of relief involves the exercise of judicial discretion that the FTF Rule implicates, regardless of whether the lawsuit that is the subject of the motion is an infringement action or

---

101 *Plantronics*, 2002 WL 32059746, at *1 ("The Court expresses no opinion whether a transfer under § 1404(a) is proper. The defendant's motion to transfer will be GRANTED, but only to the extent that it is predicated on the first-to-file rule."); *see also Tompkins v. Basic Research LL*, No. CIV. S-08-244 LKK/DAD, 2008 WL 1808316, at *5 n.10 (E.D. Cal. Apr. 22, 2008).

102 *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 816-17, 7 U.S.P.Q.2d 1109, 1116-17 (1988) ("Indeed, the policies supporting the [law-of-the-case] doctrine apply with even greater force to transfer decisions than to decisions of substantive law…." Prior decision from a coordinate court should not be revisited absent "extraordinary circumstances.").

103 *Songbyrd, Inc. v. Estate of Grossman*, 206 F.3d 172, 176-77 & n.5 (2d Cir. 2000); *Grayson v. K-Mart Corp.*, 79 F.3d 1086, 1094 & n.8 (11th Cir. 1996).

104 *See, e.g., Mead Corp.*, 679 F. Supp. at 1454 n.5 ("This ruling therefore has no bearing on a subsequent determination by the Ohio court regarding whether both cases should be transferred back to this district on *forum non conveniens* grounds.").

105 However, under a post-*Micron* regime, even transfers ordered pursuant to the FTF Rule alone should not normally be subject to re-transfer. *See* Part IV.D.1., *infra*.

106 *Norwood*, 349 U.S. at 31 (dismissals); *Elecs. for Imaging*, 394 F.3d at 1345, 73 U.S.P.Q.2d at 1530 (dismissals); *Moses H. Cone Mem. Hosp. v. Mercury Const. Corp.*, 460 U.S. 1, 8-9 (1983) (stays); *Wilderman v. Cooper & Scully, P.C.*, 428 F.3d 474, 476 (3d Cir. 2005) ("A stay is treated as a final order, however, if it 'amounts to a dismissal of the suit.'") (*quoting Moses H. Cone*, 460 U.S. at 10); *Lab. Corp.*, 384 F.3d at 1328, 72 U.S.P.Q.2d at 1747 (injunctions).

107 If duplicative litigation exists within the same district court, FTF principles still apply, but consolidation of the two cases would be the preferable remedy. *Dillard v. Merrill Lynch, Pierce, Fenner & Smith*, 961 F.2d 1148, 1161 & n.28 (5th Cir. 1992); *Miller Brewing Co. v. Meal Co., Ltd.*, 177 F.R.D. 642, 644-45 (E.D. Wis. 1998).

108 *See Intuitive Surgical*, 2007 WL 1150787, at *2 ("If the first-to-file rule does apply to a suit, the court in which the second suit was filed may transfer, stay or dismiss the proceeding….").

a declaratory judgment action. Party "A" moves in the alternative for a transfer pursuant to § 1404(a), as it may behoove that party to seek relief under both the FTF Rule *and*, in the alternative, § 1404(a).[109]

Shape #2_A acknowledges that Party "A" must sustain its threshold burden of persuasion to convince the Forum "B" that the FTF Rule in fact applies. This generally entails establishing case filing priority together with sufficient overlap in parties and/or issues between the two cases. *See* Part II.B.3.b.(i), *supra*.

If Party "A" fails to sustain its threshold burden, then the analysis skips to Shape #5_A, where Party "A's" next chance to obtain relief is to prevail in a conventional § 1404(a) motion. In that situation, Party "A" carries the burden to establish that the § 1404(a) factors warrant transfer.[110] The analysis proceeds to Shape #6_A, where Forum "B" decides whether Party "A" sustained its burden under § 1404(a). If so, Forum "B" grants the § 1404(a) motion (see Shape #7_A); if not, Forum "B" denies the motion (see Shape #8_A). Either decision becomes the "law of the case" pursuant to *Christianson*.

If, on the other hand, Party "A" sustains its threshold burden to show that the FTF Rule applies, then the analysis proceeds sequentially to Shape #3_A.[111] As stated at Part II.C. *supra*, most courts require that analysis of FTF Rule exceptions occur in the first-filed courts, which is why a solid-lined arrow leads from Shape #3_A directly to Shape #9_A. An apparent minority of courts, by comparison, hear evidence of FTF Rule exceptions even when the FTF Rule applies and they are the second-filed court.[112] The minority view is represented by the alternative dashed-line arrow extending from Shape #3_A to Shape #4_A.

At Shape #4_A, following the minority route, the burden of persuasion shifts to Party "B", who now must convince Forum "B" that it should not enforce the FTF Rule.[113] That may constitute a formidable burden, given that many jurisdictions endow the FTF Rule with the force of a strong presumption, as discussed in preceding sections of this article.[114,115]

If Party "B" sustains its burden of persuasion that the FTF Rule should not be enforced, the analysis moves to Shapes Nos. 5_A-8_A, discussed *supra*. Otherwise, as shown at Shape #9_A, Forum "B" will transfer the case to Forum "A" pursuant to the FTF Rule.[116] Shape #9_A specifically refers to the relief of a transfer to make a direct comparison to transfers under § 1404(a), but it should be understood to include all alternative forms of "discretionary disposition" discussed above. A third dashed-line arrow, extending directly from Shape #4_A to Shape #8_A, represents the scenario in which Party "B" sustains its burden by proving that the § 1404(a) "convenience factors" militate against transfer. In that instance, the analysis is at an end, and Forum "B" should deny Party "A's" alternative motion.[117]

---

109 *See, e.g.*, *APV*, 295 F.Supp.2d at 398 & 399-400 (denying defendant's dismissal motion based on FTF Rule, but granting its alternative motion to transfer under § 1404(a)).

110 *Southern Appalachian Biodiversity Project v. United States Forest Svc.*, 162 F.Supp.2d 1365, 1367 (N.D. Ga. 2001).

111 A judicial finding that Party "A" met its burden to show applicability of the FTF Rule should be accorded "law of the case" status. *Christianson* purports to apply to "transfer decisions" in general, not just to statutorily-based transfers. *Christianson*, 486 U.S. at 816, 7 U.S.P.Q.2d at 1116. *See also Mead*, 679 F. Supp. at 1449-50 (citing rejection by other district court of defendant's contention that its lawsuit was "first-filed").

112 *Miteq*, 2003 WL 179991, at *2; *Intersearch Worldwide, Ltd. v. Intersearch Group, Inc.*, No. C 07-4634 SBA, 2008 WL 753731, at *12 (N.D. Cal. Mar. 19, 2008).

113 *Citicorp Leasing*, 2004 WL 102761, at *5; *Miteq*, 2003 WL 179991, at *2.

114 *See Manuel*, 430 F.3d at 1135 ("strong presumption across the federal circuits").

115 For a list of recognized exceptions to the FTF Rule, see Note 65, *supra*.

116 *See Plantronics*, 2002 WL 32059746, at *3 (ordering transfer after considering exceptions).

117 *Everest Capital*, 178 F.Supp.2d at 465 ("Because the factors to consider are substantially identical in weighing the balance of convenience for application of the first-filed rule and in ruling on a motion to transfer venue, a single analysis of the factors will resolve both issues.").

At Shape #10_A, if Party "B" desires to avoid litigation in Forum "A", then (barring settlement) Party "B" must there file a § 1404(a) motion to re-transfer the case to the Adverse Forum. Party "B" now has the burden to establish entitlement to a transfer under § 1404(a) – the exact reverse of Shape #5_A. Appendix C (explained *infra*) identifies Party "B's" remaining steps.

III. THE FEDERAL CIRCUIT'S DECISION IN *MICRON*

A. Facts

Micron Technology, Inc. ("Micron"), one of the leading manufacturers of dynamic random access memory ("DRAM") chips, received a warning letter from a competitor, MOSAID Technologies, Inc. ("MOSAID"), which owns several patents regarding DRAM chips. That letter, which urged Micron to take a patent license, was followed by three more such letters from MOSAID. Additionally, MOSAID sued three other major DRAM chip manufacturers and issued public statements promising that MOSAID would pursue an "aggressive" licensing strategy.[118] After MOSAID settled with those other three manufacturers, "[p]ress reports predicted that Micron posed the obvious next target…."[119]

At that point, on July 24, 2005, Micron brought suit against MOSAID in the Northern District of California, seeking a declaratory judgment of noninfringement of 14 MOSAID patents. The next day, MOSAID sued Micron and two other competitors in the Eastern District of Texas, for infringement of 7 MOSAID patents. MOSAID later amended that complaint to add one more defendant and three more asserted patents.[120] In the California action, MOSAID moved to dismiss Micron's declaratory judgment action for lack of subject matter jurisdiction and, in the alternative, to transfer that action to the Eastern District of Texas (presumably under § 1404(a), as the Texas action was not "first-filed").[121]

B. The District Court's Decision

The Northern District of California granted MOSAID's dismissal motion and as a result, did not reach MOSAID's alternative motion to transfer. That court reasoned:

> While the Court initially was inclined to view Mosaid's history of litigating against other DRAM manufacturers together with Mosaid's public statements sufficient to meet the first prong, the Court concludes that Mosaid's conduct was not sufficient to give rise to a reasonable apprehension of litigation against Micron. The undisputed evidence in the record demonstrates that during the last four years, Mosaid has not made any direct threats or accusations of patent infringement to Micron; has not made any such threats or accusations to third parties (for example, Micron's customers); and has not made any public comments regarding infringement by Micron.[122]

Furthermore, the district court made its ruling before *MedImmune*, [123]which the Federal Circuit viewed as having specifically rejected the "reasonable apprehension" test.[124]

---

118 *Micron*, 518 F.3d at 899, 86 U.S.P.Q.2d at 1039-40.
119 *Id.*, 518 F.3d at 900, 86 U.S.P.Q.2d at 1040.
120 *Id.*
121 *Micron Tech., Inc. v. MOSAID Techs., Inc.*, No. C 06-4496 JF (RS), 2006 WL 3050865, at *1 (N.D. Cal. Oct. 23, 2006).
122 *Id.*, 2006 WL 3050865, at *2-*3.
123 ___ U.S. ___, 124 S.Ct. 764, 81 U.S.P.Q.2d 1225 (2007).
124 *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1380, 82 U.S.P.Q.2d 1173, 1179 (Fed. Cir. 2007), *reh'g denied* (Jun. 8, 2007).

The district court next commented that even if such jurisdiction existed, it would still exercise its discretion under the Declaratory Judgment Act to decline jurisdiction. It explained that it viewed the Eastern District of Texas as the better forum for the litigation, even despite the FTF Rule, because: (1) existence of subject matter jurisdiction was "tenuous" in light of the court's "reasonable apprehension" analysis; (2) the Texas action included parties not named in the California action; and (3) given the 1-day time lapse between filings, the California court was "not any more invested in the issues" than was the Texas court.[125]

C. The Federal Circuit's Holding and Observations

The Federal Circuit began its analysis by confirming that *MedImmune* replaced the "reasonable apprehension" test for declaratory judgment subject matter jurisdiction with a "substantial controversy" test – i.e., whether "'there is a substantial controversy between the parties having adverse legal interests of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.'"[126] Given the *MedImmune* standard, the Federal Circuit had little trouble finding fault with the district court's subject matter jurisdiction analysis and ruling.[127] Before proceeding to the next analytical section of its opinion, the *Micron* panel paused to give the following comments on the litigation impact of *MedImmune*:

> Whether intended or not, the now more lenient legal standard facilitates or enhances the availability of declaratory judgment jurisdiction in patent cases. The resulting ease of achieving declaratory judgment jurisdiction in patent cases is accompanied by unique challenges. ***For instance, the ease of obtaining a declaratory judgment could occasion a forum-seeking race to the courthouse between accused infringers and patent holders.*** Thus, in cases such as this with competing forum interests, the trial court needs to consider the "convenience factors" found in a transfer analysis under 28 U.S.C. § 1404(a).[128]

The *Micron* panel then analyzed the portion of the district court's holding that it would have declined jurisdiction even if Micron had established the existence of subject matter jurisdiction. It quickly dispensed with the district court's first ("tenuous at best") ground as having been predicated on "the now-defunct reasonable apprehension of suit test."[129] Almost as quickly, it discarded the district court's second ground – that the Texas infringement action was "broader" than the California declaratory judgment action. To that ground, the Federal Circuit responded that such a factor "carries little weight" because it can be "easily manipulated" by litigants, such as by adding defendants or claims to the infringement action, thus undermining "the Supreme Court's more lenient standard for the declaratory judgment plaintiff…."[130]

Responding to the district court's "vested in the case" reason for dismissal, the Federal Circuit simply could have applied *Genentech*, wherein it reiterated FTF principles:

> However, the rule favoring the ***right of the first litigant to choose the forum***, absent countervailing interests of justice or convenience, ***is supported by "[reasons] just as valid when applied to the situation where one suit precedes the other by a day*** as they are in a case where a year intervenes between the suits."[131]

---

125 *Micron*, 2006 WL 3050865, at *2.
126 *Micron*, 518 F.3d at 900-01, 86 U.S.P.Q.2d at 1040-41 (*quoting MedImmune*, 127 S.Ct. at 771) (internal quotation marks omitted).
127 *Micron*, 518 F.3d at 902, 86 U.S.P.Q.2d at 1042.
128 *Id.*, 518 F.3d at 902-03, 86 U.S.P.Q.2d at 1042 (emphasis added).
129 *Id.*, 518 F.3d at 903, 86 U.S.P.Q.2d at 1042.
130 *Id.*, 518 F.3d at 903, 86 U.S.P.Q.2d at 1043.
131 *Genentech*, 998 F.2d at 938, 27 U.S.P.Q.2d at 1245 (emphasis added; citation omitted; brackets in original).

Instead of applying *Genentech*, the *Micron* panel used the "vested in the case" dismissal ground as a segue to discuss "convenience factors under 28 U.S.C. § 1404(a)" vis-à-vis considerations like "automatically going with the first filed action…."[132] Of course, since the district court in *Micron* did not "go" with the first-filed action at all, the Federal Circuit's comments cautioning against "automatic" selection of the first-filed forum are arguably dicta.[133] Nevertheless, the Federal Circuit then observed that "where the two actions were filed almost simultaneously," the transfer analysis "essentially mirrors" the analysis of whether a court acts within its discretion when declining to entertain a given declaratory judgment action.[134]

After rendering its "essentially mirrors" observation, the Federal Circuit reaffirmed the status of the FTF Rule as a "general rule" to which exceptions are "not rare," such exceptions being available "in the interest of justice or expediency" (citing *Genentech*).[135] Notably, the *Micron* panel omitted the portion of *Genentech* requiring: "There must, however, be sound reason that would make it unjust or inefficient to continue the first-filed action."[136] The Federal Circuit then launched into its policy rationale behind its focus on "convenience factors":

> ***These "convenience factors" take on added significance*** in light of the newly understood legal environment surrounding declaratory judgment jurisdiction in patent cases. ***Given the greater likelihood of jurisdiction for declaratory judgment filers, these potential defendants will have greater opportunity to race to the courthouse to seek a forum more convenient and amenable to their legal interests.*** By the same token, ***patent holders will similarly race*** to protect their convenience and other perceived advantages. Therefore, the district court judge faced with reaching a jurisdictional decision about a declaratory judgment action with an impending infringement action either filed or on the near horizon should not reach a decision based on any categorical rules. The first-filed suit rule, for instance, will not always yield the most convenient and suitable forum. Therefore, the trial court weighing jurisdiction additionally must consider ***the real underlying dispute: the convenience and suitability of competing forums***. In sum, the trial court must weigh the factors used in a transfer analysis as for any other transfer motion. In other words, this court notes that when the discretionary determination is presented after the filing of an infringement action, the jurisdiction question is basically the same as a transfer action under § 1404(a).
>
> The convenience and availability of witnesses, absence of jurisdiction over all necessary or desirable parties, possibility of consolidation with related litigation, or considerations relating to the interest of justice must be evaluated to ensure the case receives attention in the most appropriate forum. ***Eventually, robust consideration of these factors will reduce the incentives for a race to the courthouse because both parties will realize that the case will be heard or transferred to the most convenient or suitable forum.***[137]

Applying its articulated standard, the Federal Circuit assessed the convenience of the parties and witnesses and noted: (1) MOSAID's U.S. operations are based out of the Northern District of California; and (2) witness convenience favored neither California nor Texas. Next, while the Federal Circuit did not specifically mention the "interest of justice" factor, it held: "On balance, the jurisdiction of the first filed declaratory judgment action appears to be

132 *Micron*, 518 F.3d at 904, 86 U.S.P.Q.2d at 1043.
133 *United States v. Crawley*, 837 F.2d 291, 292-93 (7th Cir. 1987) (One reason against giving weight to passage from previous opinion is that "the passage was not grounded in the facts of the case and the judges may therefore have lacked an adequate experiential basis for it….").
134 *Micron*, 518 F.3d at 904, 86 U.S.P.Q.2d at 1043.
135 *Id.*
136 *Genentech*, 998 F.2d at 937, 27 U.S.P.Q.2d at 1244.
137 *Micron*, 518 F.3d at 904-05, 86 U.S.P.Q.2d at 1043-44 (emphasis added).

the more convenient forum for both parties," and thus the Federal Circuit reversed and remanded.[138] MOSAID petitioned for a rehearing *en banc*, asserting that Federal Circuit "effectively usurped the district court's discretion," contrary to both Supreme Court and Federal Circuit precedent, by having conducted its own *de novo* analysis of the "convenience factors."[139] In an unpublished order dated April 7, 2008, however, the Federal Circuit denied MOSAID's petition without opinion.

IV. IMPACT OF *MICRON* UPON PATENT VENUE BATTLES

A. *Micron*'s Analytical Framework: More Questions Than Answers

In *Micron*, the Federal Circuit did not need to announce a new focus on "convenience factors" in order to reverse the district court. It could have simply applied, rather than just cite, its own precedent to reiterate that convenience factors can warrant departing from the FTF Rule;[140] that "[t]he exercise of discretion in a declaratory judgment must have a basis in sound reason;"[141] and that completely disregarding evidence bearing upon convenience factors, a well-recognized FTF Rule exception, leads to a judgment lacking "a basis in sound reason," therefore constituting an abuse of discretion. Rather than employ such logic, the Federal Circuit announced that the "convenience factors" have "added significance" in the post-*MedImmune* world, such that convenience factors constitute the "real underlying dispute."[142] This raises a host of unanswered questions, to wit:

- What does "added significance" mean? For instance, could it merely mean that district courts should be more mindful of the "convenience factors" in future cases because of an increase in "races to the courthouse," or does it mean that those courts should actually accord the "convenience factors" additional analytical weight?

- *Micron* as a recognized FTF Rule exception?

- If "added significance" connotes more significance relative to the weight traditionally accorded to the FTF Rule, how does this change the role of the FTF Rule in the analysis, notwithstanding the Federal Circuit's acknowledgement of that rule as a "general rule"?

- How are burdens of proof allocated in a *Micron*-style analysis at the district court level?

- Do "convenience factors" now carry more weight than any of the other recognized exceptions to the FTF Rule? The *Micron* panel characterized the "anticipatory" exception as "merely one factor in the analysis," while associating the convenience factors with "the real underlying dispute."[143]

- Which law applies to the analysis – Federal Circuit law, or *regional* circuit law? *See* Part IV.B., *infra*.

---

138 *Id.*, 518 F.3d at 905, 86 U.S.P.Q.2d at 1044.
139 *Combined Petition for Panel Reh'g and Reh'g En Banc of MOSAID Techs., Inc.*, No. 2007-1080, 2008 WL 857158, at *2-*3 (Fed. Cir. Mar. 14, 2008).
140 *Genentech*, 998 F.2d at 938, 27 U.S.P.Q.2d at 1244; *Elecs. for Imaging*, 394 F.3d at 1348, 73 U.S.P.Q.2d at 1532 (*quoting Genentech*); *Kahn*, 889 F.2d at 1082-83, 12 U.S.P.Q.2d at 2001.
141 *Genentech*, 998 F.2d at 936, 27 U.S.P.Q.2d at 1243.
142 *Micron*, 518 F.3d at 904, 86 U.S.P.Q.2d at 1043.
143 *Id.*

The nature of the *Micron* panel's analysis suggests that the Federal Circuit sought to weaken the FTF Rule in order to enhance the comparative analytical strength of the "convenience factors." Certainly, if a rule endowed with the force of a presumption does not counterbalance "convenience factors," then those factors stand a higher likelihood of dictating the overall result. The Federal Circuit did not use the FTF Rule as a starting point, and it did not use that rule as any baseline or presumption against which a litigant had to establish exceptions. That the *Micron* panel did not at least use the FTF Rule as an analytical starting point, particularly when the California court was the first-filed forum, renders somewhat hollow its earlier reference to the FTF Rule as a "general rule."

B. Which Law Now Applies, and Currently, Does it Make Any Difference?

Under *Lab. Corp.*, Federal Circuit law governs anti-suit injunctions involving co-pending patent declaratory judgment and infringement cases in different courts.[144] By contrast, the Federal Circuit held that *regional* circuit law governs motions to transfer under 28 U.S.C. § 1404(a).[145] Given that the *Micron* panel effectively equated analysis of discretionary disposition of a co-pending case with that of motions to transfer under § 1404(a), one must ask: which law applies to discretionary disposition motions - Federal Circuit or regional circuit law? One might argue the former, since *Micron* resulted from a policy tailored specifically to *MedImmune*, a patent case, and since the Federal Circuit law controls as to even procedural issues that impact patent law.[146] Another might advocate that latter, since: (1) *Lab Corp.* was decided in the context of drastic differences in policies between the Third and Federal Circuits, and the only way to reconcile *Lab. Corp.* with *Winner* is to limit *Lab. Corp.* to its facts; (2) if *Lab Corp.* and *Winner* cannot be reconciled, then *Winner* controls under the Federal Circuit's "prior panel rule";[147] and (3) *Lab. Corp.* has not been widely followed (*see* Part II.B.4.a, *supra*). Suffice it to say, the choice-of-law question engendered by *Micron* presently remains unresolved.

A pragmatist may then ask: "Does it really matter which law applies?" Given the lack of substantive development in Federal Circuit law as to the particulars of the FTF Rule and § 1404(a) motions to transfer, the current answer is likely "no." This is because regardless of which law applies, courts will invoke regional circuit law as to the legal particulars on which *Micron* is silent (*see* Part II.B.4.a, *supra*), of which there are several (*see* Part IV.A., *supra*). Since regional circuit law will continue to play a role in the foreseeable future, and since that law pays significant deference to a litigant's choice of forum, as discussed below, *Micron*, despite its intent, should not significantly deter races to the courthouse.

C. *Micron* Slightly Increases Risk that First-Filed Venue will Not Be Ultimate Venue, but it is Not Otherwise Expected to Deter Races to the Courthouse

1. General Remarks

Though leaving many questions unanswered, *Micron* generally reinforces the notion that a district court will commit an abuse of discretion if, in deciding a motion for discretionary disposition of a co-pending infringement or declaratory judgment action, it disregards evidence of record presented by either litigant bearing upon the § 1404(a) "convenience factors." To that extent, *Micron* will cause district courts to give greater scrutiny to the relationship of

144 *Lab. Corp.*, 384 F.3d at 1331, 72 U.S.P.Q.2d at 1749.

145 *Winner Int'l Royalty Corp.*, 202 F.3d 1340, 1352, 53 U.S.P.Q.2d 1580, 1589 (Fed. Cir. 2000); *Storage Tech. Corp. v. Cisco Sys., Inc.*, 329 F.3d 823, 836, 66 U.S.P.Q.2d 1545, 1554 (Fed. Cir. 2003) (*citing Winner*).

146 *Midwest Indus.*, 175 F.3d at 1359, 50 U.S.P.Q.2d at 1675.

147 *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 765, 9 U.S.P.Q.2d 1417, 1423 (Fed. Cir. 1988) ("Where there is direct conflict, the precedential decision is the first.").

the chosen forum to the issues, parties, and witnesses. Under regional circuit law, if the first-filed forum bears little or no relationship to the issues, parties, and witnesses, then the "race to the courthouse" could lead to a "false start," in which event the lawsuit proceeds in the second-filer's chosen forum. However, most regional federal courts place great deference upon a plaintiff's choice of forum. So long as the first-filed forum bears some logical relationship to the plaintiff, witnesses, or issues, courts will likely sustain the first-filer's choice. Thus, even after *Micron*, litigants will still strive to win the "race to the courthouse."

Courts, including the Federal Circuit, have linked the FTF Rule to a plaintiff's choice of forum.[148] This alone should inject deference to choice of forum as a factor for consideration in a duplicative litigation determination, though not mentioned in *Micron*. One must also consider the prominence of that factor in § 1404(a) transfer determinations made by regional courts.

2. Choice-of-Forum Law

The deference accorded to a plaintiff's choice of forum enjoys longstanding application. It finds its roots in the common-law doctrine of *forum non conveniens*, applied before enactment of § 1404(a).[149] That enactment replaced the doctrine as to federal courts, making it easier to transfer under § 1404(a) than under the doctrine,[150] which now generally has use only in cases where the alternative forum is outside the United States.[151] Even after that enactment, choice of forum remains a transfer factor, as acknowledged by the Supreme Court[152] and other courts.[153]

Currently a split of authority exists as to how much weight to accord a plaintiff's choice of forum under § 1404(a), as opposed to *forum non conveniens.* An apparent majority of courts accord significant weight to the choice of forum in a § 1404(a) analysis,[154] while some others merely recognize it as a factor for consideration.[155] In one of the cases taking the latter approach (*Volkswagen II*),[156] the U.S. Court of Appeals for the Fifth Circuit recently granted Volkswagen's petition for a rehearing on a decision upholding the lower court's denial of a motion to transfer. The American Intellectual Property Law Association ("AIPLA") recently filed an *amicus curiae* brief supporting Volkswagen, wherein it advocates that "the plaintiff's forum choice is a presumptive starting point" to which "some substantive deference"

148 "***[T]he rule favoring the right of the first litigant to choose the forum***, absent countervailing interests of justice or convenience, is supported by '[reasons] just as valid….'" *Genentech*, 998 F.2d at 938, 27 U.S.P.Q.2d at 1245 (discussing FTF Rule) (ellipsis and emphasis added). *See also Kahn*, 889 F.2d at 1082, 12 U.S.P.Q.2d at 2001; *Pharm. Resources*, 2002 WL 987299, at *5.

149 *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508 (1947).

150 *Norwood v. Kirkpatrick*, 349 U.S. 29, 32 (1955).

151 *Sinochem Int'l Co. v. Malaysia Int'l Shipping Corp.*, __ U.S. __, 127 S.Ct. 1184, 1190 (2007).

152 *Norwood*, 349 U.S. at 32.

153 *See, e.g., Decker Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 843 (9th Cir. 1986); *Ricoh Co., Ltd. v. Honeywell, Inc.*, 817 F. Supp. 473, 479 n.16 (D.N.J. 1993).

154 *See, e.g., Robinson v. Giarmarco & Bill, P.C.*, 74 F.3d 253, 260 (11th Cir. 1996) ("'The plaintiff's choice of forum should not be disturbed unless it is ***clearly outweighed*** by other considerations.'") (citation omitted; emphasis added); *TM Claims Svc., Inc. v. KLM Royal Dutch Airlines, Inc.*, 143 F.Supp.2d 402, 404 (S.D.N.Y. 2001) (same); *Montgomery v. STG Int'l, Inc.*, 532 F.Supp.2d 29, 32 (D.D.C. 2008) ("'[p]laintiff's choice of forum is given ***paramount consideration.***…'") (citation omitted; emphasis added); *Affymetrix, Inc. v. Synteni, Inc.*, 28 F.Supp.2d 192, 199 (D. Del. 1998) (same); *Borgwarner, Inc. v. Honeywell Int'l, Inc.*, No. 1:07cv184, 2008 WL 394991, at *3 (W.D.N.C. Feb. 11, 2008) ("The court must give this factor **great weight**….") (emphasis in original; citations and footnotes omitted).

155 *See, e.g., Roberts Metals, Inc. v. Fla. Properties Mktg. Corp.*, 138 F.R.D. 89, 93 (N.D. Ohio 1991), *aff'd without opinion*, 22 F.3d 1104 (Fed. Cir. 1994); *Rockwell Int'l Corp. v. Eltra Corp.*, 538 F. Supp. 700, 702 (N.D. Ill. 1982); *Hamilton v. Accu-Tek*, 47 F.Supp.2d 330, 347-48 (E.D.N.Y. 1999).

156 *In re Volkswagen of Am., Inc.*, 506 F.3d 376, 384 (5th Cir. 2007) (*Volkswagen II*), *reh'g granted*, 517 F.3d 785 (5th Cir. 2008).

should normally be provided, but that "it is entitled to no substantive weight if the convenience of the parties and witnesses, or the interest of justice, points to another forum."[157] The *Volkswagen* proceeding remains pending at the time of this writing.

Despite the split of authority as to choice of forum in the general sense, case law is much more uniform in recognizing that a plaintiff's choice of forum is entitled to only minimal weight when the chosen forum is not plaintiff's residence or where it otherwise bears little or no connection to the issues, parties, or witnesses,[158] though some courts emphasize that even in such instances, "some deference is still to be afforded."[159] Logically, some courts accord no weight at all to the plaintiff's choice of forum when it is the second-filed case.[160]

On balance, as one district court phrased it: "The deference afforded plaintiff's choice of forum will apply as long as a plaintiff has selected the forum for some legitimate reason."[161] Thus, so long as a legitimate reason supports a plaintiff's choice of forum, a majority of courts will accord it significant weight.[162] Since the *Micron* panel fell silent as to the role of choice of forum, district courts will likely fill in that gap with the regional jurisprudence discussed above. The role of the choice of forum established in that jurisprudence continues to provide incentive, in addition to that stimulated by the FTF Rule, for a litigant to earn the status of a first-filer.

D. The Post-*Micron* Role of the FTF Rule: A Second Flow Chart Summary

1. Appendix B

Appendix B to this article displays a post-*Micron* flow chart as a counterpart to Appendix A. Shapes in Appendix B correspond with like-numbered shapes in Appendix A, several corresponding shapes containing identical text. Only one shape in Appendix B differs from its counterpart in Appendix A, but that difference, together with the absence of any Shape #10 from Appendix B, mark a departure from pre-*Micron* law.

Before observing the specific differences, the identical correspondence of Shapes Nos. 2_B and 4_B to their respective Appendix A counterparts deserves brief commentary. As discussed in Parts IV.A. and IV.B. *supra*, Federal Circuit law, even after *Micron*, remains silent concerning burden of proof allocations. Consequently, one should expect regional circuit law to continue to apply, such that the FTF Rule, once proven as applicable, still imposes the burden on the second-filer to produce evidence of exceptions, even in the § 1404(a) context. Failing persuasive evidence of

---

157 Brief for *Amicus Curiae* American Intellectual Property Law Association in Support of Petitioners, No. 07-40058, at p. 11 (5th Cir. Mar. 26, 2008), *available in* http://pub.bna.com/ptcj/070058Mar26.pdf.

158 *Alden Corp. v. Eazypower Corp.*, 294 F.Supp.2d 233, 237 (D. Conn. 2003); *Arete Power, Inc. v. Beacon Power Corp.*, No. C 07-5167 WDB, 2008 WL 508477, at *4 (N.D. Cal. Feb. 22, 2008); *Wechsler v. Macke Int'l Trade, Inc.*, No. 99 Civ. 5725 (AGS), 1999 WL 1261251, at *9 (S.D.N.Y. Dec. 27, 1999).

159 *Foxworthy v. Custom Tees, Inc.*, 879 F. Supp. 1200, 1208 (N.D. Ga. 1995); *Guidant Corp. v. St. Jude Med., Inc.*, No. Civ. 04-067-SLR, 2004 WL 1925466, at *2 (D. Del. Aug. 27, 2004).

160 *S.W. Indus. v. Aetna Cas. & Sur. Co.*, 653 F. Supp. 631, 637 (D.R.I. 1987); *L. Perrigo Co. v. Warner-Lambert Co.*, 810 F. Supp. 897, 900 n.2, 26 U.S.P.Q.2d 1146, 1149 n.2 (W.D. Mich. 1992) (*citing S.W. Indus.*).

161 *Guidant Corp.*, 2004 WL 1925466, at *2.

162 One way to maximize chances that a choice will be upheld as "legitimate" is to select a forum that is in what some courts call the "center of gravity" of the dispute. "In patent infringement actions, 'as a general rule, the preferred forum is that which is the *center of gravity* of the accused activity.'" *Ricoh*, 817 F. Supp. at 481 n.17 (*quoting S.C. Johnson & Sons, Inc. v. Gillette Co.*, 571 F. Supp. 1185, 1188 (N.D. Ill. 1983) (adding italics)); "In finding that 'center of gravity,' a district court 'ought to be as close as possible to the milieu of the infringing device and the hub of activity centered around its *production*.'" *Id.*, 817 F. Supp. at 481 n.17 (*quoting S.C. Johnson*, 571 F. Supp. at 1188 (adding italics)).

exceptions, the FTF Rule should weigh as an "interests of justice" factor significantly in the first-filer's favor.[163] Thus, even under the post-*Micron* scheme, litigants still have an incentive to file first and benefit from the FTF Rule.

The first significant difference comprises the absence of any Shape #3 from Appendix B. Here, unlike Appendix A, Forum "B" does not have to reach a threshold question of whether to even hear Party "B's" case for FTF Rule exceptions. *Micron* has made that decision for Forum "B": since analysis of a motion for discretionary disposition "mirrors" that for § 1404(a) transfer motions, and since the district court "must" weigh the § 1404(a) convenience factors,[164] Forum "B" does not have the option of deferring to the first-filed Forum "A" to analyze Party "B's" evidence of any FTF Rule exceptions.

The arrow leading from Shape $\#4_B$ to Shape $\#8_B$ in Appendix B is solid-lined, as opposed to the dashed line of the corresponding arrow in Appendix A. In a majority of instances, given the emphasis *Micron* places upon "convenience factors," both parties in future duplicative litigation are likely to introduce some evidence of those factors, such that a court like Forum "B" will be able to render a decision tantamount to a ruling on a § 1404(a) transfer motion. Only in a minority of cases would it be expected that Party "B" would introduce evidence only of non-"convenience factors" Rule exceptions, a scenario represented by the dashed arrow extending between Shape $\#4_B$ and Shape $\#5_B$.

The final major difference concerns Shape $\#9_B$, and the absence of any shapes downstream from that shape. Shape $\#9_B$ comprises an octagon, instead of the hexagon used in Appendix A, to signal the end of the analysis in the event Party "B" fails to sustain its burdens. In this scenario, Forum "B" should order transfer pursuant to the FTF Rule alone. Such an order, like a § 1404(a), order, should not be subject to retransfer because here, the order issued only after consideration of all evidence advanced by the parties, not merely after a single finding that one case was filed first, as in Shape $\#3_A$ of Appendix A.

Assessing the analytical differences wrought by *Micron*, one sees immediately that *Micron* requires a district court to evaluate the § 1404(a) "convenience factors" regardless of whether it is the second-filed court. It thus forces a district court to abandon longstanding principles of comity that led to deference to the first-filed court accorded by the majority of regional federal courts. This certainly raises the specter of inconsistent rulings, depending on how the other court handles its own duplicative case,[165] and *Micron* does nothing to address that concern. At the same time, however, *Micron* obviously simplifies the process by preventing the need for two separate courts to handle various phases of parties' arguments over duplicative litigation, and it largely prevents the possibility of the case being re-transferred to the initial forum if it grants the motion to transfer. One is left to wonder, however, how such a benefit links to the goal to curb post-*MedImmune* races to the courthouse, and thus whether it is necessary at all for the procedural treatment of duplicative patent cases to differ from treatment of non-patent duplicative cases under regional circuit law.

163 *Byerson v. Equifax Information Svcs. LLC*, 467 F.Supp.2d. 627, 635 (E.D. Va. 2006) ("The existence of a related action in a different judicial District and the first-to-file rule are sometimes analyzed separately, but the policies served by transfer are similar in both instances. Moreover, both are properly considered as components of the interest of justice.") (citations omitted).

164 *Micron*, 518 F.3d at 904-05, 86 U.S.P.Q.2d at 1043-44.

165 "'Absent such a rule [granting the first-filed court authority to decide venue issues], there exists the possibility of inconsistent rulings on discretionary matters as well as the duplication of judicial effort.'" *Affinity Memory*, 20 F.Supp.2d at 954 n.11 (brackets in original) (*quoting Donaldson, Lufkin & Jenrette, Inc. v. Los Angeles County*, 542 F. Supp. 1317, 1321 (S.D.N.Y. 1982)).

2. Appendix C

In the flow chart appearing at Appendix C, Party "B" becomes the movant, either with or without having first been transferred to Forum "A" by Forum "B". If following a transfer by Forum "A" pursuant to the FTF Rule, then Party "B" moves for a re-transfer of the case to Forum "B" pursuant to § 1404(a); otherwise, the sought remedy is a standard transfer under that statute. Here, the analytical framework follows a conventional § 1404(a) analysis. Since *Micron* does not change the nature of conventional transfer analyses, the procedural sequence in Appendix C is identical between pre-*Micron* and post-*Micron* regimes.

In this scenario, Forum "A" is already the first-filed forum, so Appendix C lacks a diamond shape corresponding to either $\#2_A$ in Appendix A, or $\#2_B$ in Appendix B. The analysis proceeds directly to the question of whether Party "B" sustained its burden to prove FTF exceptions, as shown at Shape $\#11_C$, which is analogous to Shape $\#4_A$ in Appendix A and to Shape $\#4_B$ in Appendix B. Depending on whether Party "B" meets that burden, the § 1404(a) analysis proceeds either with or without weight ascribed to the FTF Rule and Party "A's" choice of forum. *See* Shapes Nos. 12_C and 13_C, respectively. In either instance, as shown at Shape $\#14_C$, the analysis points to the final question of whether, in view of all the applicable factors and burdens, Party "B" sustained its ultimate burden of persuasion under § 1404(a). If not, Forum "A" denies the motion (Shape $\#16_C$);[166] if so, then Forum "A" grants the motion (Shape $\#15_C$).[167] If following a previous transfer under the FTF Rule, the § 1404(a) relief granted takes the form of a re-transfer back to Forum "B".[168] Such § 1404(a) decisions would likewise become the "law of the case" under *Christianson*.

V. COMMENTARY ON POLICY TO CURB "RACES TO THE COURTHOUSE"

To the extent that the *Micron* panel sought to curb *unwarranted* races to the courthouse, its aims were laudable. To the extent that it sought to curb *all* races to the courthouse, however, *Micron* missed the mark. Racing to the courthouse, while it may appear "unseemly" to some,[169] is a patent litigation phenomenon that the Supreme Court itself recognized without criticism in *Kerotest*,[170] and is a natural outgrowth of the FTF Rule and of attorneys' oaths of zealous advocacy that propel them to maximize their clients' potential advantages under that rule.[171] While the *Micron* panel accurately observed that *MedImmune* increases the likelihood of sustained declaratory judgment actions, and that therefore *MedImmune* increases the likelihood of races to the courthouse to file such actions, the Federal Circuit could have addressed that problem by means other than an attempt to weaken the FTF Rule. The Federal Circuit could have simply encouraged district courts to give more serious consideration to certain recognized exceptions to the FTF Rule when such evidence is of record – namely, the "anticipatory" and "bad faith" exceptions. It could also have encouraged parties negotiating a possible settlement of a dispute to clearly communicate deadlines to maximize access to those FTF Rule exceptions in the event of litigation. The FTF Rule jurisprudence developed

166 *See Citicorp Leasing*, 2004 WL 102761, at *6-*7 (§ 1404(a) motion denied; weight given to FTF Rule and choice of forum); *Novo Nordisk*, 874 F. Supp. at 633 (same); *Ontel*, 899 F. Supp. at 1153 & 1155 (motion denied even though FTF Rule inapplicable).

167 *See Affinity Memory*, 20 F.Supp.2d at 955-56 (granting § 1404(a) motion; FTF Rule inapplicable); *MK Sys., Inc. v. Schmidt*, No. 04 Civ.8106 RWS, 2005 WL 590665, at *4 & *7 (S.D.N.Y. Mar. 10, 2005) (granting § 1404(a) motion even though FTF Rule applicable).

168 *See Am. Household Prods., Inc. v. Evans Mfg., Inc.*, 139 F.Supp.2d 1235, 1243 (N.D. Ala. 2001) ("If the California court rules that the claims against AHP and Crown should be heard in an Alabama venue under 28 U.S.C. § 1404(a), then so be it.") (*citing Kerotest*, 342 U.S. at 186).

169 *Tempco*, 819 F.2d at 750, 2 U.S.P.Q.2d at 1934.

170 *Kerotest*, 342 U.S. at 185, 92 U.S.P.Q. at 3.

171 *See Daimler-Chrysler*, 133 F.Supp.2d at 1042, 58 U.S.P.Q.2d at 1472 ("In seeking to have this case dismissed, the defendants rely on the first to file rule, which allows, in effect, the winner of a race to the courthouse to select the forum in which the contest will be decided.").

prior to *Micron* already possesses sufficient flexibility and balance to guard against unwarranted reliance on filing sequence alone,[172] and that jurisprudence already suffices to counteract any *unwarranted* "races to the courthouse" that may have been spawned by *MedImmune*.

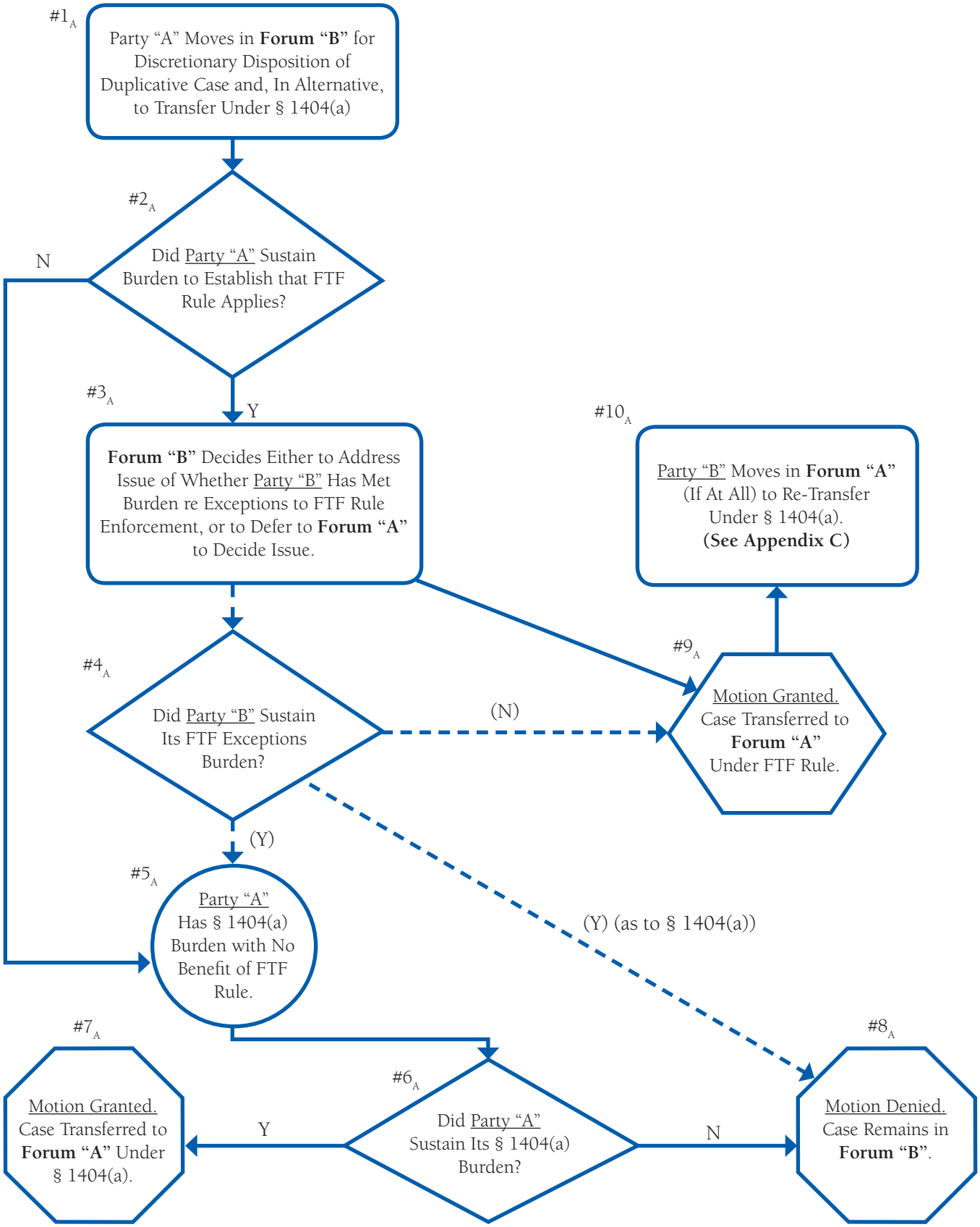
VI. CONCLUSION

In *Micron*, the Federal Circuit reached an uneventful result but did so with an analysis that attempts to break new ground by weakening the FTF Rule. Driven by a goal of counteracting the expected increased frequency of "races to the courthouse" resulting from the Supreme Court's *MedImmune* decision, the *Micron* analysis urges consideration of "convenience factors" under 28 U.S.C. § 1404(a), but remains silent as to such fundamental questions as choice of law, the role of the FTF Rule, burden-of-proof allocation, and the impact of the plaintiff's choice of forum. Consequently, at least until Federal Circuit law develops more fully regarding discretionary disposition of duplicative patent cases, courts will continue to apply regional circuit law, under which both the FTF Rule and choice of forum remain critical factors in any analysis. Therefore, although *Micron* may cause prospective litigants to more closely consider the relationship of respective forums to their patent cases, *Micron* will not likely curb most races to the courthouse, and the choice of forum should be upheld when supported by a legitimate reason.

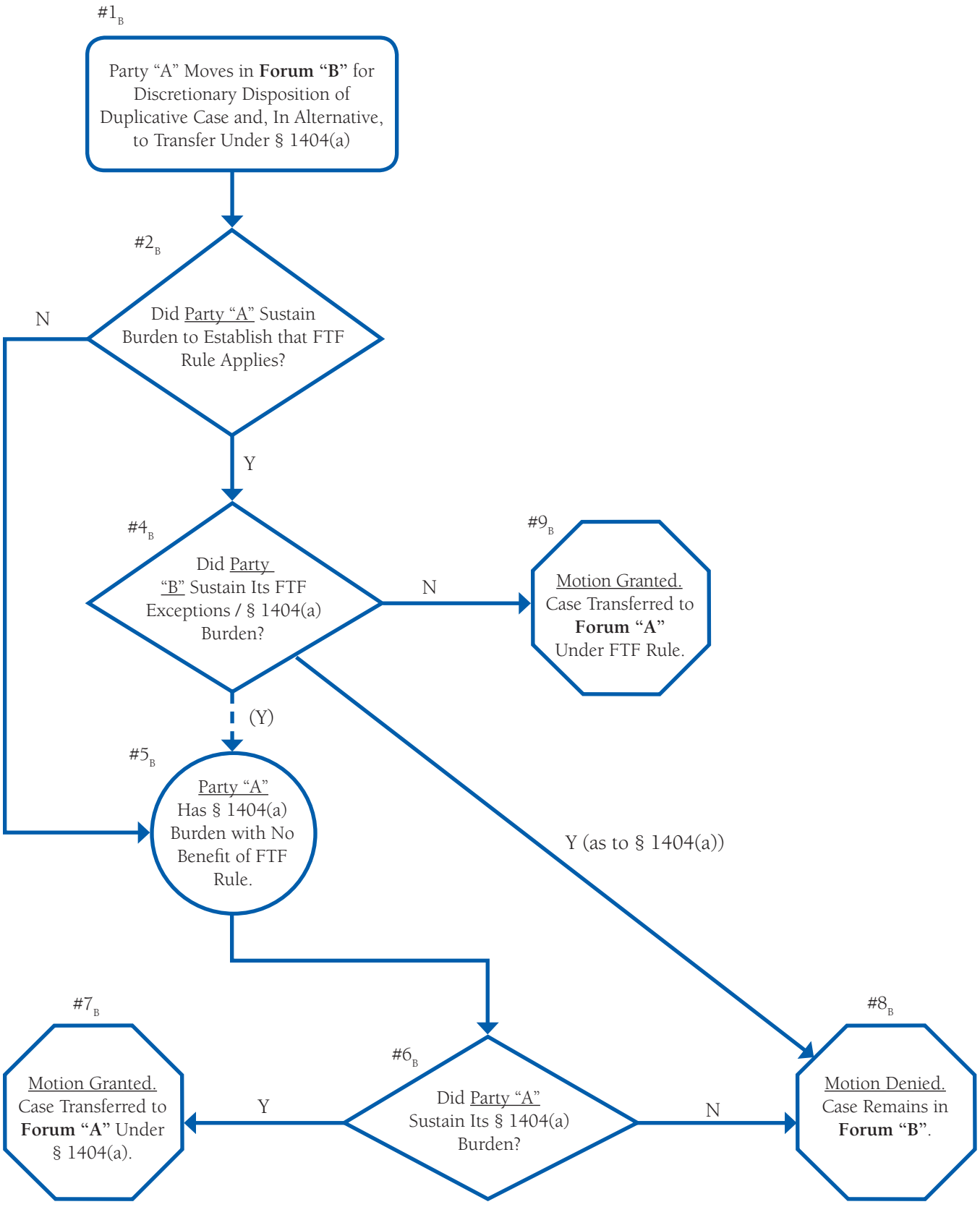
Rather than trying to weaken the FTF Rule, the Federal Circuit should reiterate the importance of the traditional FTF Rule exceptions. Such a response to *MedImmune* would allow the FTF Rule to continue occupying its rightful place in patent litigation while discouraging unwarranted races to the courthouse. However, having rendered its decision in *Micron*, the Federal Circuit at a minimum, and at its first opportunity, should disclaim any intent to change the burdens of proof or other intertwined principles. The Federal Circuit's attempt to cure an unintended consequence of *MedImmune* may have unintended consequences of its own if courts attempt to reallocate burdens of proof, or adjust other longstanding principles, in applying *Micron*.

172 That flexibility arises not only from the very existence of the FTF Rule exceptions, but also from the trial court's exercise of discretion in weighing evidence of those exceptions. *Genentech*, 998 F.2d at 938, 27 U.S.P.Q.2d at 1244.

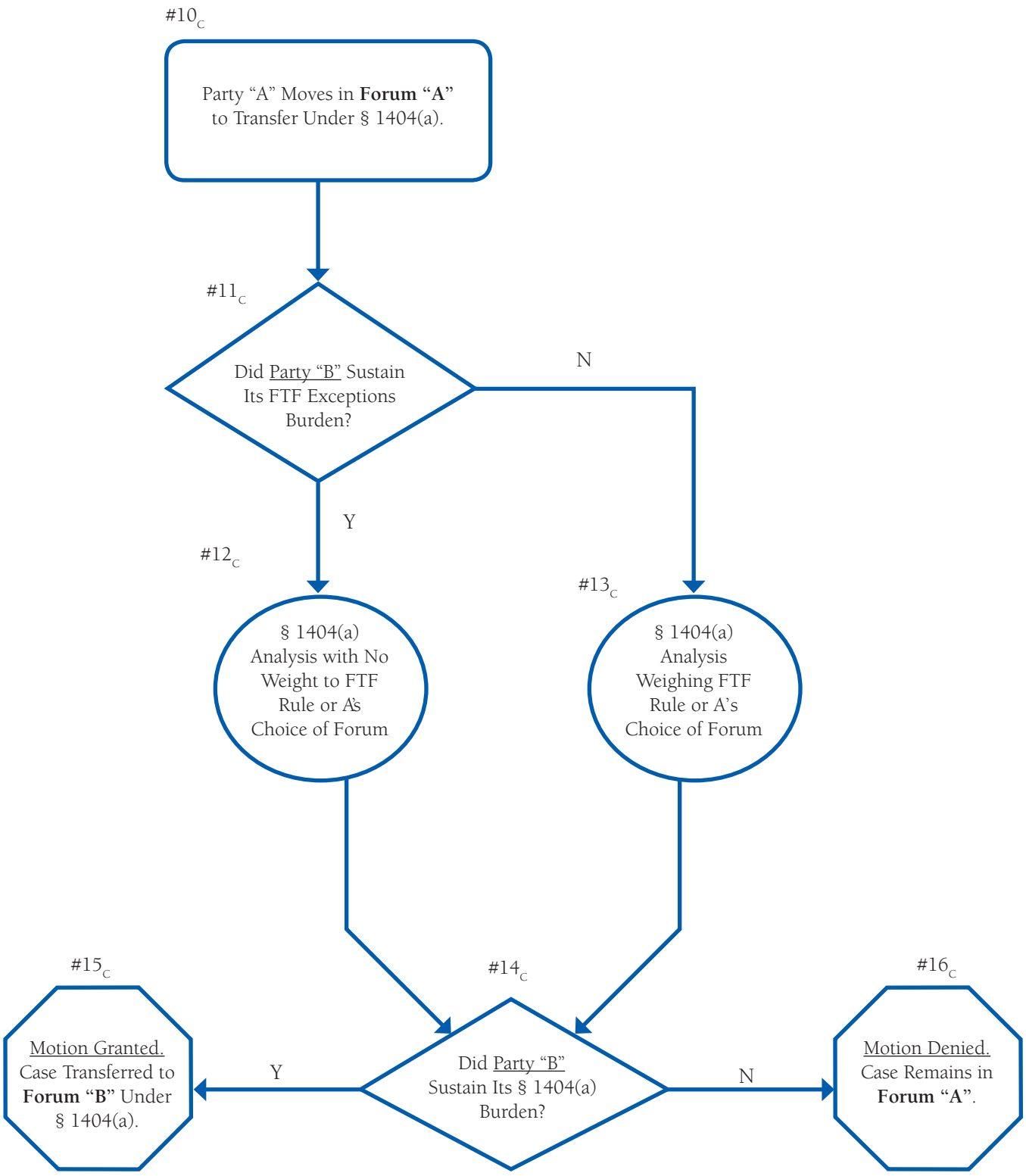
APPENDIX A: PRE-*MICRON* DUPLICATIVE LITIGATION RESOLUTION
(Party "A" Moves in Forum "B")



APPENDIX B: POST-*MICRON* DUPLICATIVE LITIGATION RESOLUTION
(Party "A" Moves in Forum "B")



APPENDIX C: PRE- AND POST-*MICRON* DUPLICATIVE LITIGATION RESOLUTION
(Party "B" Moves in Forum "A")



www.wcsr.com