Brief. MINTZ LEVIN PATENT LITIGATION GROUP (MLPG) NEWSLETTER

OCTOBER 2010

When is "Home Court" Not to Your Best Advantage?

BY KEVIN N. AINSWORTH

You have discovered that your patent rights are being infringed, and you want to sue. Where should you sue? Does it matter? The answer is, "definitely." While a patentee's first inclination may be to sue in its home court when feasible, the decision can have a tremendous impact on how a lawsuit proceeds; it deserves greater attention than reflexively choosing one's home court. And if you have no home in the United States, you undoubtedly will be faced with the question of where to sue. Several factors are worth evaluating:

- Where can you sue? (Where is the infringement occurring?)
- What is the speed of the court's docket in each potential venue?
- Where is/are the defendant(s) located?
- Where are the likely witnesses and evidence, and can your selected court compel witnesses to testify at depositions? At trial?
- Is your chosen court likely to transfer your case to another venue?
- If the defendant(s) were to successfully petition the Patent & Trademark Office to reexamine the patent(s) in suit, what is the likelihood that your chosen court would stay your lawsuit pending the outcome of the reexamination?
- What would be the cost to sue (including to litigate a motion to stay or to transfer) in the court?
- And—looking into the tea leaves—what has been the historical "success rate" of patentees in the court?

The docket speed and time to trial vary greatly among the district courts. There

Should you wish to receive further information on this or any intellectual property issue, please contact any of the attorneys listed below, or the Mintz Levin attorney who ordinarily handles your legal affairs.

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is no doubt that certain district courts, such as the Eastern District of Virginia and Eastern District of Texas, are known to have a "rocket docket." If you plan to file in such a court, you had better be prepared to proceed apace once the complaint has been filed. In fact, a recent study of patent cases in several of the most active U.S. District Courts since 1995 concluded that the District Court for the Eastern District of Virginia had the quickest median time-to-trial—less than one year from the date of filing the complaint. On the other hand, the Southern District of New York had a median time-to-trial of two and one-half years, while the District of Massachusetts had a median of more than three and one-half years.

The statistics, however, may not be a good indicator of what your case will experience. Speed to trial is affected by many things, including the complexity of the issues and the amount at stake. In addition, the median time-to-trial statistics mentioned above reflect only cases that went to trial; they do not reflect the outcome of cases that settled, were dismissed by the court, or have not yet been tried. Also, since those statistics are based on the last 15 years, they do not reflect current trends. So, for example, the District of New Jersey's procedural rules for patent cases, which took effect in 2009, are too new to have impacted those statistics. Experienced counsel can give a better sense of the court's docket pace.

Another factor to consider is the matter of convenience. Where is the court in relation to the parties, the witnesses, and evidence? Will you (or your adversary) need the court to compel witnesses to testify at depositions? At trial? Each court's subpoena power extends only so far, and if necessary witnesses are outside that zone, you may want to select a court that can compel testimony. In fact, if you were to choose a court having no connection to the case other than the existence of infringing sales in that district, there is a risk that your chosen court would transfer your case to another venue, resulting in a waste of your time and resources, and potentially giving the defendant(s) a more advantageous venue. However, if there are multiple defendants and no one venue would be convenient to all parties, you likely could sue in any available venue and withstand a motion to transfer.

The court's response to reexamination proceedings also may be important. A favorite tactic of patent infringement defendants is to file a reexamination proceeding with the Patent and Trademark Office and then ask the court to stay the infringement action while the reexamination occurs. When successful, the tactic results in a substantial delay of the lawsuit. Many courts, including the Southern, Central, and Northern Districts of California, Northern District of Illinois, and the District of Delaware have granted a high percentage of such motions.

Finally, we come to the tea leaves—the historical success rate in the relevant court. If you believe historical success by patentees is an indicator of your likely success, you may want to file suit in the Middle District of Florida; one analyst listed that court at the top of its "success rankings," indicating that patent plaintiffs had an overall success rate of 59.1% (including trials and summary judgment motions) and a trial success rate of 80.0%. The Eastern District of Texas ranked second in that analysis, with an overall rate of 55.3%. But the ranking changed when the definition of "success" switched to the median damages awarded. In that ranking, the Eastern District of Virginia was top of the list at $30 million, the District of Delaware was second at $22 million, and Eastern District of Texas was third at $20 million.

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How you fare most likely will depend on your legal strategy and the facts of your case, rather than on historical rankings. But keeping the factors discussed above in mind when you choose your venue can have a tremendous impact on your case, and even improve your chance of success.

0730-1010-NAT-IP