United States Court of Appeals for the Federal Circuit

IN RE: SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., LG ELECTRONICS INC., LG ELECTRONICS USA, INC.,
Petitioners

2021-139, 2021-140

On Petitions for Writs of Mandamus to the United States District Court for the Western District of Texas in Nos. 6:20-cv-00257-ADA, 6:20-cv-00259-ADA, Judge Alan D. Albright.

ON PETITION

BRADLEY GARCIA, O'Melveny & Myers LLP, Washington, DC, for petitioners. Also represented by DAVID ALMELING, DANIEL SILVERMAN, DARIN W. SNYDER, San Francisco, CA; NICHOLAS WHILT, Los Angeles, CA.

KARL RUPP, Nix Patterson, LLP, Dallas, TX, for respondents Ikorongo Texas LLC, Ikorongo Technology LLC. Also represented by DEREK TOD GILLILAND, Sorey Law Firm, Longview, TX; HOWARD N. WISNIA, Wisnia PC, San Diego, CA.

JOSHUA S. LANDAU, Computer & Communications Industry Association, Washington, DC, for amicus curiae Computer & Communications Industry Association.

Before LOURIE, DYK, and REYNA, *Circuit Judges*.

DYK, *Circuit Judge*.

O R D E R

In these patent infringement suits, which have been consolidated for purposes of these mandamus petitions, Samsung Electronics Co., Ltd. et al. (collectively, "Samsung") and LG Electronics Inc. et al. (collectively, "LG") seek writs of mandamus ordering the United States District Court for the Western District of Texas to transfer the underlying actions to the United States District Court for the Northern District of California. For the following reasons, we grant the writs of mandamus.

BACKGROUND

A.

Ikorongo Texas LLC ("Ikorongo Texas") filed the initial complaints in these cases against Samsung and LG in the Western District of Texas on March 31, 2020—a month after Ikorongo Texas was formed as a Texas limited liability company. Although Ikorongo Texas claims to be unrelated to Ikorongo Technology LLC ("Ikorongo Tech"), a North Carolina limited liability company, the operative complaints indicate that Ikorongo Texas and Ikorongo Tech are run out of the same Chapel Hill, North Carolina office. Additionally, as of March 20, 2020, the same five individuals "own[ed] all of the issued and outstanding membership interests" in both Ikorongo entities. Assignments of Patent Rights at 4, *Ikorongo Texas LLC v. LG Elecs. Inc.*, No. 6:20-cv-00257-ADA (W.D. Tex. Jan. 5, 2021), ECF Nos. 57-4, 57-5 (exhibits to Ikorongo entities' brief in opposition to LG's motion to transfer).

Ikorongo Tech owns the four patents that are asserted in the suits. Approximately ten days before the initial

complaints were filed in these cases, Ikorongo Tech assigned to Ikorongo Texas exclusive rights to sue for infringement and collect past and future damages for those patents within certain specified parts of the state of Texas, including certain counties in the Western District of Texas, while retaining the rights to the patents in the rest of country.

The day after the initial complaints were filed, Ikorongo Texas and Ikorongo Tech filed first amended complaints, this time naming both Ikorongo Tech and Ikorongo Texas as co-plaintiffs, noting that "[t]ogether Ikorongo TX and Ikorongo Tech own the entire right, title and interest in the Asserted Patents, including the right to sue for past, present and future infringement and damages thereof, throughout the entire United States and world."

The amended complaints assert generally that Samsung and LG had infringed at least one claim of the asserted patents by making, using, testing, selling, offering for sale, or importing into the United States devices that perform certain functionality. The complaints do not distinguish between infringement in the Western District of Texas and infringement elsewhere in the United States. It appears undisputed that Ikorongo Texas and Ikorongo Tech's infringement contentions are directed at functionality in third-party applications (Google Maps, Google+, Google Play Music, YouTube Music, and AT&T Secure Family) that run on the accused mobile products sold by Samsung and LG.

B.

In September 2020, Samsung and LG separately moved under 28 U.S.C. § 1404(a) to transfer the suits to the Northern District of California. They argued that three of the five accused third-party applications were developed in Northern California where those third parties conduct significant business activities and that no application was developed or researched in Western Texas. Samsung and LG

further argued that potential witnesses and sources of proof were in the Northern District of California, including two of the named inventors, and that no source of proof or potential witness was in the Western District of Texas.

On March 1, 2021, the district court denied LG's and Samsung's motions. The court first concluded that LG and Samsung failed to establish the threshold requirement that the complaints "might have been brought" in the Northern District of California. § 1404(a). The court acknowledged that there was no dispute that the defendants would be subject to venue in the Northern District of California based on Ikorongo Tech's allegations. However, because Ikorongo Texas's rights under the asserted patents could not have been infringed in the Northern District of California, the court held that venue over the entirety of the actions was improper under 28 U.S.C. § 1400(b).

Alternatively, the court analyzed the traditional public- and private-interest factors. As to the private-interest factors, the district court acknowledged that "the location of the documents relevant in [these] case[s] tilts [the sources of proof] factor towards transfer," citing LG and Samsung's argument that "the greatest volume of evidence is with key third parties located in the Northern District of California," including "technical documents and source code," and that Ikorongo Texas and Ikorongo Tech failed to identify any sources of proof in the Western District of Texas.

With regard to potential witnesses, the district court noted that Samsung and LG had identified potential witnesses in Northern California and no potential witness in or near the Western District of Texas. However, the district court weighed the willing witness factor "only very slightly in favor of transfer" and the compulsory process factor "neutral." The court explained that it "gives the convenience of party witnesses little weight" generally. And while recognizing that "the Northern District of California

is the more convenient forum for a high percentage" of third-party employees "who may be relevant witnesses," the court stated generally its view that "only a few party witnesses and even fewer non-party witnesses will likely testify at trial," and weighed against transfer plaintiffs' willingness to cover the expenses of third parties.

As to the local interest factor, the district court noted and rejected Samsung and LG's argument that the Northern District of California had a greater local interest in this case because the third-party applications were developed there, at least LG integrated the accused applications in the proposed transferee district, and no party had any meaningful connection to the Western District of Texas. The district court explained that "it is generally a fiction that patent cases give rise to local controversy or interest" and "Ikorongo Texas's claims do specifically relate to infringement in this District."

The district court weighed the "practical problems" factor against transfer. The court noted that Ikorongo Texas and Ikorongo Tech had separately filed suit against Bumble Trading, LLC in the Western District of Texas "for infringing on patents asserted in this action, and Bumble withdrew its motion to transfer." The court explained that "judicial economy and the possibility of inconsistent rulings causes the Court to find this factor weighs against transfer, given that at least one of the co-pending cases will remain in this District." In addition, the court added that it could likely hold a trial sooner than the Northern District of California, citing in part its patent-specific Order Governing Proceedings that "ensures efficient administration[.]" The court therefore concluded that defendants had not met their burden to demonstrate cause for transfer.

These petitions followed, which were consolidated in our court, and raise the same two challenges: First, whether the district court erred in concluding that venue in the Northern District of California under § 1400(b) is

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