

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

BRISTOL-MYERS SQUIBB COMPANY and)
PFIZER INC.,)
)
Plaintiffs and Counterclaim-Defendants)
)
v.) C.A. No. 17-374-LPS
) (CONSOLIDATED)
AUROBINDO PHARMA USA INC. and)
AUROBINDO PHARMA LTD.,)
)
Defendants and Counterclaim-Plaintiffs.)

BRISTOL-MYERS SQUIBB COMPANY)
and PFIZER INC.,)
)
Plaintiffs,)
)
v.) C.A. No. 17-379-LPS
)
MYLAN PHARMACEUTICALS INC.,)
)
Defendant.)

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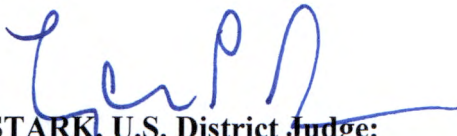
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MEMORANDUM OPINION

October 18, 2018
Wilmington, Delaware


STARK, U.S. District Judge:

This is a pharmaceutical patent case brought by Bristol-Myers Squibb Company and Pfizer Inc. (“BMS” or “Plaintiffs”) pursuant to the Hatch-Waxman Act, 21 U.S.C. § 355(j). (C.A. No. 17-374 D.I. 1)¹ Presently before the Court is Defendant Mylan Pharmaceuticals Inc.’s (“MPI” or “Defendant”) renewed motion to dismiss or transfer under 28 U.S.C. § 1406(a) for improper venue. (C.A. No. 17-374 D.I. 178) In its initial motion to dismiss for improper venue, filed on July 25, 2017, MPI contended that venue was improper in this District based on the Supreme Court’s decision in *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 137 S. Ct. 1514, 1519 (2017), which held that § 1400(b) is the “sole and exclusive provision controlling venue in patent infringement actions.” (C.A. No. 17-379 D.I. 15 at 3-4) On September 11, 2017, the Court denied MPI’s initial motion without prejudice, as the Court could not determine based on the record then before it whether venue was proper in Delaware. (*See* C.A. No. 17-379 D.I. 36 at 38) The Court, therefore, ordered what it intended to be expedited, venue-related discovery on the question of whether MPI has a “regular and established place of business” under the second prong of § 1400(b). (*See id.* at 39, 43, 45)

On May 17, 2018, after eight months of limited discovery and three discovery dispute teleconferences, MPI renewed its motion to dismiss, maintaining that venue is improper in this District. The parties submitted briefing (*see* C.A. No. 17-374 D.I. 179, 192, 213) and the Court heard oral argument on July 18, 2018 (*see* Transcript (“Tr.”) (C.A. No. 17-374 D.I. 233)).

For the reasons set forth below, the Court will grant MPI’s motion.

¹The instant action is part of a consolidated action involving Plaintiffs and other generic pharmaceutical filers.

I. LEGAL STANDARDS

Generally, “venue provisions are designed, not to keep suits out of the federal courts, but merely to allocate suits to the most appropriate or convenient federal forum.” *Brunette Mach. Works, Ltd. v. Kockum Indus., Inc.*, 406 U.S. 706, 710 (1972). Federal Rule of Civil Procedure 12(b)(3) authorizes a party to move to dismiss a lawsuit for improper venue. When such a motion is filed, the Court must determine whether venue is proper in accordance with the applicable statutes. *See Albright v. W.L. Gore & Assocs., Inc.*, 2002 WL 1765340, at *3 (D. Del. July 31, 2002). Venue in a patent infringement action is governed solely and exclusively by the patent venue statute, 28 U.S.C. § 1400(b). *See TC Heartland*, 137 S. Ct. at 1516. The general venue statute, 28 U.S.C. § 1391(c), does not have any application in a patent case. *See id.* at 1521.

“[U]pon motion by the Defendant challenging venue in a patent case, the Plaintiff bears the burden of establishing proper venue.” *In re ZTE (USA) Inc.*, 890 F.3d 1008, 1013 (Fed. Cir. 2018). If the Court grants a Rule 12(b)(3) motion based on improper venue, the Court “shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought.” 28 U.S.C. § 1406(a).

Generally, “it is not necessary for the plaintiff to include allegations in his complaint showing that venue is proper.” *Great W. Mining & Mineral Co. v. ADR Options, Inc.*, 434 F. App’x 83, 86-87 (3d Cir. 2011). Hence, when confronted with a motion to dismiss for improper venue, the Court may consider both the complaint and evidence outside the complaint. *See* 14D Wright & Miller, *Federal Practice & Procedure* § 3826 (4th ed. 2017). The Court will accept any venue-related allegations in the complaint as true, unless those allegations are contradicted by the

defendant's affidavits. *See Bockman v. First Am. Mktg. Corp.*, 459 F. App'x 157, 158 n.1 (3d Cir. 2012); *In re First Solar, Inc. Derivative Litig.*, 2013 WL 817132, at *2 (D. Del. Mar. 4, 2013). In addition, the Court may consider affidavits submitted by the plaintiff. *See Bockman*, 459 F. App'x at 161 (affirming District Court's dismissal of complaint "because Defendants satisfied their burden of showing improper venue by offering evidence that the wrongful acts alleged in the Complaint did not occur in Pennsylvania, and Plaintiffs failed to rebut that evidence").

II. DISCUSSION

The patent venue statute, 28 U.S.C. § 1400(b), provides:

Any civil action for patent infringement may be brought in the judicial district [1] where the defendant resides, or [2] where the defendant has committed acts of infringement and has a regular and established place of business.

It is undisputed that MPI is incorporated in West Virginia (*see* C.A. No. 17-379 D.I. 1 at ¶ 2; C.A. No. 17-374 D.I. 179 at 1) and, therefore, does not "reside" in Delaware. *See TC Heartland*, 137 S. Ct. at 1517 ("[A] domestic corporation 'resides' only in its State of incorporation for purposes of the patent venue statute."). Plaintiffs have proposed alternative bases on which venue here may, nonetheless, be proper.

During a March 9, 2018 teleconference, the Court identified three open venue questions it believed were implicated in this case: (1) under the first prong of § 1400(b), whether the residency of one entity can be imputed to another; (2) under the second prong of § 1400(b), what, if any, degree of fraud or abuse of the corporate form is required in order for two entities to have an alter-ego relationship or to in any way impute a regular and established place of business of

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