

NOTE: This order is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

In re: ADOBE INC.,
Petitioner

2020-126

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:19-cv-00527-ADA, Judge Alan D. Albright.

ON PETITION

Before PROST, *Chief Judge*, MOORE and HUGHES, *Circuit Judges*.

PROST, *Chief Judge*.

O R D E R

Adobe Inc. petitions for a writ of mandamus asking this court to direct the United States District Court for the Western District of Texas to grant its motion to transfer pursuant to 28 U.S.C. § 1404(a) to the United States District Court for the Northern District of California. Syn-Kloud Technologies, LLC opposes. Adobe replies.

BACKGROUND

SynKloud brought this suit against Adobe, a company headquartered in San Jose, California, alleging infringement of six patents by various Adobe products related to cloud storage. The complaint stated that SynKloud is a company organized under the laws of Delaware, with its principal place of business in Milton, Delaware.

Adobe moved the district court to transfer the case to the Northern District of California where it is headquartered pursuant to § 1404(a), which authorizes transfer “[f]or the convenience of parties and witnesses, in the interest of justice.” Adobe argued that “[o]ther than this litigation, SynKloud does not appear to have any connection whatsoever to Texas,” noting that SynKloud’s President resides in New York, SynKloud was not registered to do business in Texas, and it did not appear to have any operations, employees, or customers in Texas. A.198.

Adobe further urged that the Northern District of California would be clearly more convenient. In support, Adobe submitted sworn declarations attesting to the fact that the teams responsible for the development, marketing, and sales of the accused services are primarily based in the Northern District of California. *See, e.g.*, A.264–68, 405–08. Adobe noted that its own witnesses who would likely testify about the design, marketing, and sales of the accused products overwhelmingly reside in the transferee forum. Adobe further argued that, while it has two offices in Austin, Texas, those offices “have nothing to do with the design, development, or operation of the Accused Products” that were at issue in the case. A.199.

Adobe additionally noted that the inventor of the asserted patents, Sheng Tai Tsao, and his company, STT WebOS, Inc., which had assigned the patents to SynKloud, are located in the Northern District of California, and hence were only subject to the subpoena power of the transferee court. Adobe argued that “Mr. Tsao and STT WebOS

IN RE: ADOBE INC.

3

have advertised that they had ‘demonstratable’ products ‘protected by’ most, if not all, of the patents-in-suit prior to the earliest filing date of the asserted patents, potentially invalidating them by violating the statutory on-sale bar,” and thus “have highly relevant information related to the validity issues in this case.” A.197.

After a hearing, the district court denied Adobe’s motion from the bench. With regard to the relative ease of access to sources of proof factor, the district court found that the convenience of having Adobe’s, the inventor’s, and STT WebOS’s documents in the Northern District of California outweighed SynKloud’s purported convenience in the location of SynKloud’s documents in New York and Virginia. The district court acknowledged a disagreement between the parties as to whether any Adobe employee in Austin, Texas had relevant knowledge. However, the court found that “even if I conclude and resolve this factual conflict in favor of SynKloud,” it would still find “that this factor slightly favors transfer.” A.1112.

The district court also concluded that the compulsory process factor “slightly favors transfer,” noting that while “[w]itnesses related to the power of assignment and prior art rarely testify,” “it [is] almost certain that one party or the other would want the inventor to testify.” A.1113. The court noted a disagreement between the parties as to whether former Adobe employees in Austin, Texas had relevant information. But the court again explained that even if it resolved that conflict in SynKloud’s favor, it seemed unlikely that all four identified individuals would testify and did not ultimately sway the court to weigh this factor in favor of retaining the case. The court also found that the local interest factor “is neutral to slightly favors transfer,” given that “Adobe has facilities in both districts,” and “SynKloud does not.” A.1114.

The single factor that the court weighed in favor of retaining the case was the court congestion factor. The court

noted that it “had a year and a half of experience in terms of setting schedules and timing of cases and trials” and had “an order governing proceedings that I use in virtually every case that specifies that the trial will occur within roughly 44 to 47 weeks after a Markman hearing,” and that “[t]o the best of my recollection,” the court had no difficulty “setting a trial within that anticipated window.” A.1114. While the court acknowledged that the Northern District of California “might be more convenient,” it still decided to deny Adobe’s motion. A.1115.

DISCUSSION

Applying Fifth Circuit law in cases from district courts in that circuit, this court has held that mandamus may be granted to direct transfer for convenience upon a showing that the transferee forum is clearly more convenient, and the district court’s contrary ruling was a clear abuse of discretion. *See In re Genentech, Inc.*, 566 F.3d 1338, 1348 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315, 1318–19 (Fed. Cir. 2008); *see also In re Radmax, Ltd.*, 720 F.3d 285, 287 (5th Cir. 2013); *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 311 (5th Cir. 2008) (en banc).

“A motion to transfer venue pursuant to § 1404(a) should be granted if ‘the movant demonstrates that the transferee venue is clearly more convenient,’ taking into consideration” the relevant private and public *forum non conveniens* factors. *Radmax*, 720 F.3d at 288 (quoting *Volkswagen*, 545 F.3d at 315); *see also In re Nintendo Co., Ltd.*, 589 F.3d 1194, 1198 (Fed. Cir. 2009) (holding that “in a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer”).

In denying Adobe’s motion to transfer here, the district court committed several errors. First, the district court failed to accord the full weight of the convenience factors it considered and weighed in favor of transfer. Second, the

IN RE: ADOBE INC.

5

court overlooked that the willing witness factor also favored transferring the case. Third, the court ran afoul of governing precedent in giving dispositive weight to its ability to more quickly schedule a trial. Taken together, we agree that the district court's denial of transfer here was a clear abuse of discretion.

First, the district court failed to accord proper weight to the convenience of the transferee venue. The court, by its own assessment, found that no private convenience factor here favored retaining the case in the Western District of Texas and several such factors favored transfer. In particular, the court noted that in addition to Adobe, the inventor and his company were in Northern California, and hence transfer would make providing testimony or documentary evidence more convenient or allow a party to subpoena such information. The court also declined to credit any potential witness or location in the Western District of Texas as having relevant evidence. Clearly, “[w]hen fairly weighed,” here, the compulsory process and sources of proof factors together tip “significantly in” favor of transferring the case. *In re Google Inc.*, No. 2017-107, 2017 WL 977038, at *3 (Fed. Cir. Feb. 23, 2017); *see also In re Acer Am. Corp.*, 626 F.3d 1252, 1255 (Fed. Cir. 2010) (determining that subpoena power of the transferee court “surely tips in favor of transfer” notwithstanding the possibility that some potential witnesses were within subpoena range of the transferor court). However, the district court only weighed those factors as “slightly” favoring the transferee forum.

Second, and relatedly, the district court failed to weigh the cost of attendance for willing witnesses factor in its discussion, yet this factor also favors transfer. Adobe identified a significant number of its own employees as potential witnesses who reside in the Northern District of California. On the other hand, SynKloud's own employees will be coming from outside both districts. *See In re Toyota Motor Corp.*, 747 F.3d 1338, 1340 (Fed. Cir. 2014) (“The comparison between the transferor and transferee forums is not

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.