United States Court of Appeals for the Federal Circuit

IN RE: APPLE INC.,
Petitioner

2020-135

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:19-cv-00532-ADA, Judge Alan D. Albright.

ON PETITION AND MOTION

MELANIE L. BOSTWICK, Orrick, Herrington & Sutcliffe LLP, Washington, DC, argued for petitioner. Also represented by ABIGAIL COLELLA, New York, NY; MELANIE HALLUMS, Wheeling, WV; JOHN GUARAGNA, DLA Piper US LLP, Austin, TX.

CHRISTIAN JOHN HURT, The Davis Firm, P.C., Longview, TX, argued for respondent Uniloc 2017 LLC. Also represented by WILLIAM DAVIS.

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

Order for the court filed by *Chief Judge* PROST.

Dissent filed by *Circuit Judge* MOORE.

PROST, *Chief Judge*.

O R D E R

Apple Inc. petitions this court for a writ of mandamus directing the United States District Court for the Western District of Texas ("WDTX") to transfer the underlying patent infringement suit to the United States District Court for the Northern District of California ("NDCA") pursuant to 28 U.S.C. § 1404(a). Uniloc 2017 LLC opposes. Uniloc also moves to file a sur-reply brief and to supplement the record.

We grant Uniloc's motions to file a sur-reply and to supplement the record. For the reasons below, we grant Apple's petition.

BACKGROUND

In September 2019, Uniloc sued Apple in the Waco Division of WDTX, alleging that several Apple products infringe U.S. Patent No. 6,467,088 ("the '088 patent"). App. 16. According to Uniloc, "Apple's software download functionality, including how Apple determines compatibility for application and operating system software updates through the App Store, infringes the '088 patent." Response Br. 4. The "Accused Products include Apple devices that run iOS and macOS-based operating systems." *Id.*

In November 2019, Apple moved to transfer the case to NDCA on the basis that it would be clearly more convenient to litigate the case in that district. App. 84; *see also* 28 U.S.C. § 1404(a). To support its motion, Apple submitted a sworn declaration from Michael Jaynes, a senior finance manager at Apple. App. 105.

In January 2020, Apple moved to stay all activity in the case unrelated to its transfer motion pending a decision on the motion. App. 166–73. The district court denied the stay motion without explanation in a text entry on the docket. App. 7. The parties completed briefing and discovery on transfer in February 2020. App. 4–9.

The district court held a hearing on Apple's motion on May 12, 2020, during which the court stated that it would deny the motion and issue a written order as soon as possible. App. 10, 296. After the hearing, but before issuing a written order, the court held a *Markman* hearing, issued its claim construction order, held a discovery hearing

regarding the protective order in the case, and issued a corresponding discovery order. App. 11. In response to these advances in the case, on June 15, 2020, Apple filed this petition for a writ of mandamus. The district court issued its order denying transfer a week later, on June 22, 2020. S. App. 1–34.

DISCUSSION

The writ of mandamus is an extraordinary remedy available to correct a clear abuse of discretion or usurpation of judicial power. *Cheney v. U.S. Dist. Ct.*, 542 U.S. 367, 380 (2004). "In reviewing a district court's ruling on a motion to transfer pursuant to § 1404(a) [on mandamus review], we apply the law of the regional circuit," in this case the Fifth Circuit. *See In re Barnes & Noble, Inc.*, 743 F.3d 1381, 1383 (Fed. Cir. 2014). "A district court abuses its discretion if it: (1) relies on clearly erroneous factual findings; (2) relies on erroneous conclusions of law; or (3) misapplies the law to the facts." *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 310 (5th Cir. 2008) (en banc) ("*Volkswagen II*") (quoting *McClure v. Ashcroft*, 335 F.3d 404, 408 (5th Cir. 2003)). As "the distinction between an abuse of discretion and a clear abuse of discretion cannot be sharply defined for all cases," "[o]n mandamus review, we review for these types of errors, but we only will grant mandamus relief when such errors produce a patently erroneous result." *Id.* "To determine whether a district court clearly abused its discretion in ruling on a transfer motion, some petitions for mandamus relief that are presented to us require that we 'review[] carefully the circumstances presented to and the decision making process' of the district court." *Id.* at 312 (alteration in original) (quoting *In re Horseshoe Ent.*, 337 F.3d 429, 432 (5th Cir. 2003)).

In general, three conditions must be satisfied for a writ to issue: (1) the petitioner must demonstrate a clear and indisputable right to issuance of the writ; (2) the petitioner must have no other adequate method of attaining the desired relief; and (3) the court must be satisfied that the writ is appropriate under the circumstances. *Cheney*, 542 U.S. at 380–81. In the § 1404(a) transfer context, however, the test for mandamus essentially reduces to the first factor, given that "the possibility of an appeal in the transferee

forum following a final judgment . . . is not an adequate alternative," and that "an erroneous transfer may result in judicially sanctioned irreparable procedural injury." *In re McGraw-Hill Glob. Educ. Holdings LLC*, 909 F.3d 48, 56 (3d Cir. 2018) (internal quotation marks omitted); *see also In re TS Tech USA Corp.*, 551 F.3d 1315, 1322 (Fed. Cir. 2008). Accordingly, the issue on appeal is whether Apple has shown a clear and indisputable right to issuance of the writ.

I

Before addressing the merits of Apple's petition, we first consider Uniloc's argument that Apple waived a number of arguments by failing to raise them in its petition.

Apple filed its petition on June 15, 2020—one week before the district court issued its written order denying transfer and more than one month after the court held a hearing on the transfer motion and orally indicated that it would deny the motion. Apple's reply brief, however, was filed after the district court issued its written order denying transfer. Uniloc moved to file a sur-reply on the basis that Apple's reply brief raised "new points of error" not raised in the petition because Apple incorrectly guessed in its pre-order petition as to the bases on which the district court would support its order denying transfer. *See* Opposed Non-Confidential Motion of Respondent for Leave to File Sur-Reply Brief (July 13, 2020), ECF No. 39; *see also* Response Br. 11 (arguing that Apple "guessed wrong [in its petition] at how the [district court] would rule on a number of factors" and, as a result, failed "to challenge several findings at all" in the initial petition). In its sur-reply, Uniloc addresses the merits of the arguments it contends Apple first raised in its reply brief and further argues that Apple's purportedly newly raised arguments are waived. *See* Sur-Reply Br. 1. Apple defends its pre-order filing, explaining that "[g]iven the rapid progression of this case, [it could not] wait any longer for a written order before seeking mandamus to prevent the case from moving forward in an inconvenient venue." Pet. 10–11.

Ordinarily, an appellant waives issues or arguments not properly raised in its opening brief. *See Becton*

Dickinson & Co. v. C.R. Bard, Inc., 922 F.2d 792, 800 (Fed. Cir. 1990). "This practice is, of course, not governed by a rigid rule but may as a matter of discretion not be adhered to where circumstances indicate that it would result in basically unfair procedure." *Id.*; *see also Harris Corp. v. Ericsson Inc.*, 417 F.3d 1241, 1251 (Fed. Cir. 2005) ("An appellate court retains case-by-case discretion over whether to apply waiver."). To the extent Apple raises new arguments in its reply brief in response to the district court's order, we exercise our discretion to not apply waiver because doing so would be unfair under the circumstances.

Although district courts have discretion as to how to handle their dockets, once a party files a transfer motion, disposing of that motion should unquestionably take top priority. *E.g.*, *In re Horseshoe*, 337 F.3d at 433 (explaining that transfer motions should take "top priority" in the handling of a case); *McDonnell Douglas Corp. v. Polin*, 429 F.2d 30, 30 (3d Cir. 1970) ("To undertake a consideration of the merits of the action is to assume, even temporarily, that there will be no transfer before the transfer issue is decided. Judicial economy requires that another district court should not burden itself with the merits of the action until it is decided that a transfer should be effected."); *In re Nintendo Co.*, 544 F. App'x 934, 941 (Fed. Cir. 2013) (explaining that "a trial court must first address whether it is a proper and convenient venue before addressing any substantive portion of the case"); *In re EMC Corp.*, 501 F. App'x 973, 975 (Fed. Cir. 2013) (acknowledging the "importance of addressing motions to transfer at the outset of litigation").

Instead, the district court barreled ahead on the merits in significant respects, prompting Apple to file its mandamus petition before the district court issued its transfer order. For example, the court held a *Markman* hearing, issued its claim construction order, held a discovery hearing, and issued a corresponding discovery order. App. 11. These are not merely rote, ministerial tasks. Indeed, a *Markman* hearing and claim construction order are two of the most important and time-intensive substantive tasks a district court undertakes in a patent case.

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