

## Eastern District of Texas Can't Keep Every Case Filed There

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Granting a defendants' petition for a **writ of mandamus**, the U.S. Court of Appeals for the Federal Circuit ordered the U.S. District Court for the Eastern District of Texas to transfer a case filed against **Toyota** to the U.S. District Court for the Eastern District of Michigan. ***In re Toyota Motor Corporation***, Case No. 14-113 (Fed. Cir., Apr. 3, 2014) (Taranto, J.).

The plaintiff, AVS, is a subsidiary of the patent licensing company Acacia Research. AVS brought the lawsuit in the Eastern District of Texas five months after it was incorporated in the Western District of Texas. Some of the patents at issue are in the same family of patents that were previously litigated in the Eastern District of Michigan.

Defendants Toyota and Gulf States filed motions to sever the claims against the Gulf States defendant from the claims against the remaining Toyota defendants, transfer the resulting action against only Toyota to the U.S. District Court for the Eastern District of Michigan and stay the claims against Gulf States in the Eastern District of Texas pending resolution of the Eastern District of Michigan case. The Eastern District of Texas did not rule on the motions to sever and stay separately from the request to transfer. Rather it focused on whether the standards for transferring the claims against Toyota were met and ruled that they were not, finding that the convenience factors did not indicate that a transfer to the Eastern District of Michigan was warranted. Notably, the court did not find that any transfer factors favored the Eastern District of Texas, several transfer factors favored the Eastern District of Michigan and two factors were neutral. Toyota filed a writ of mandamus of the Federal Circuit.

The Federal Circuit disagreed with the district court's denial of the request to transfer and found that "the district court's analysis presents a clear overall picture: nothing favors the transferor forum, whereas several factors favor the transferee forum. The analysis may not show that the transferee forum is *far* more convenient. But that is not what is required. With nothing on the transferor-forum side of the ledger, the analysis shows that the transferee forum is *clearly* more convenient." (Emphasis in original.) The Federal Circuit held that the district court's denial of the motion to transfer was "a clear abuse of discretion." The Federal Circuit also ordered the district court to address the motions to sever and stay in light of Toyota's "clear right to transfer."

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