

Court Grants VLSI Motion to Transfer Case Back to Waco, Moves Trial to February 16, 2021 So Intel Can Seek Review

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On December 31, 2020, in the case of *VLSI Technology LLC v. Intel Corporation*, WDTX-1-19-cv-00977, Judge Albright granted VLSI's motion to transfer the case from Austin back to Waco, where the case was originally filed. Order, D.I. 408. The court also moved the trial date from January 11, 2021, to February 16, 2021, to give Intel time to seek appellate review of the order. Intel indicated it would file a petition for mandamus early this week, which will be the second time in less than a month the Federal Circuit has been called on to address venue issues for this case. The pre-trial conference is still set for January 5, 2021. The court further explained how it will address voir dire and other safety precautions it plans to take to hold trials in a safe manner.

The venue issues in this case are potentially relevant to many cases pending before Judge Albright. Many of the cases on his docket were originally filed in Waco, and then transferred to Austin. But now, the Austin courthouse is indefinitely closed for trials, and the Waco courthouse is open. So, it is worth reviewing the facts that led to this order.

On November 20, 2020, the district court issued an order transferring just the trial – but not the whole case – from Austin to Waco. On December 23, the Federal Circuit granted Intel's petition for mandamus, finding that the district court did not have authority to change the venue of the trial alone. The Federal Circuit left open the possibility the entire case could be transferred to Waco, explaining that a proper retransfer analysis must be "based on the traditional factors bearing on a § 1404(a) analysis" and must show "that 'unanticipated post-transfer events frustrated the original purpose for transfer' of the case from Waco to Austin originally." *In re Intel Corp.*, 2020 WL 7647543, at *3 (Fed. Cir. Dec. 23, 2020) (quoting *In re Cragar Indus., Inc.*, 706 F.2d 503, 505 (5th Cir. 1983)).

On December 23, VLSI moved to transfer the entire case back to Waco because the Austin Division's courthouse is presently and indefinitely not holding any civil trials due to the pandemic. By contrast, if the trial were to be held in the Waco courthouse, the trial could proceed in January 2021. Noting that the transfer to Austin had been based in part on the location of Intel and Dell witnesses in Austin, VLSI argued that things had changed and that now only one or possibly two witnesses based in Austin are actually expected to testify at the trial, that no Intel witnesses based in Austin are expected to testify, and that no Dell witnesses are expected to testify at all. VLSI argued that the original transfer order assumed time to trial was neutral because Judge Albright would try the case in either venue and that time to trial has now changed, frustrating a purpose of the original transfer motion.

Intel’s argument focused on the Federal Circuit’s mandamus order. It argued that, under the mandamus order, the retransfer motion must show that “unanticipated post-transfer events frustrate the original purpose for transfer” and “should take into account the reasons of convenience that caused the earlier transfer to the Austin division.” *Intel*, 2020 WL 7647543, at *3. Intel argued that while the Austin courthouse’s temporary closure due to COVID-19 was not anticipated, it did *not* frustrate the underlying purpose of the district court’s original transfer order because that transfer order was *not* based on time-to-trial considerations. Instead, Intel argued, the original transfer order was based on Austin’s strong nexus to the case, which made the “relative ease of access to sources of proof,” the “cost of attendance,” and the “localized interests” all favor Austin over Waco. Dkt. 78 at 5-10. Intel observed that the original transfer order had found that each of those factors favored Austin over Waco because “Intel has a campus in Austin, but not in Waco,” “Intel employs a significant number of people working in Austin,” most of the named inventors “reside in Austin while none reside in Waco,” and “most of the patents were invented in Austin, by inventors residing in Austin, while working at companies (Freescale and Sigmatel, now NXP) in Austin.” Intel’s principal argument was that because none these factors have been affected by the closure of the Austin courthouse, the closure of the courthouse has not frustrated the original transfer order’s purpose—which was to have this case litigated and decided in Austin because the case has many connections to Austin and none to Waco.

The district court’s order quoted the relevant portion of the Fifth Circuit’s “retransfer” standard from *Cragar*, and stated that retransfer requires that “1) there must be an unanticipatable post-transfer event that 2) frustrates the original purpose for transfer and 3) retransfer should be granted under the most impelling and unusual circumstances.” Order, p. 5. The district court went through all of the private and public factors and summarized how they had changed from the time the court transferred the case to Austin as follows:

FACTOR	PRE-PANDEMIC (OCT. 2019)	MID-PANDEMIC (DEC. 2020)
Relative ease of access to sources of proof	Weights in favor of transfer to Austin	Neutral
Compulsory process	Slightly weighs against transfer to Austin	Neutral
Cost of attendance	Strongly weighs in favor of transfer to Austin	Neutral at minimum
All other practical problems	Neutral	Weights in favor of transfer to Waco
Localized interest	Weights in favor of transfer to Austin	Weights against transfer to Waco
Administrative difficulties flowing from court congestion	Neutral	Weights in favor of transfer to Waco

FACTOR	PRE-PANDEMIC (OCT. 2019)	MID-PANDEMIC (DEC. 2020)
Familiarity of the forum with law that will govern case	N/A	N/A
Problems associated with conflict of law	N/A	N/A

Thus, the court found that while three factors originally weighed in favor of transferring to the Austin division while one factor slightly weighed against, currently at least two factors weigh in favor of transferring the case back to Waco (*i.e.*, would have weighed against transferring to Austin), one factor is against transferring to Waco (*i.e.*, would have weighed for transferring to Austin) and the remaining factors are neutral. Based on this, the court held that the “pandemic has frustrated transfer by changing what was clearly more convenient pre-pandemic to what is not clearly more convenient mid-pandemic” and that this “satisfies the final element of *Cragar*.” Order, p. 11.

At the hearing, Judge Albright explained some of the precautions he was considering for keeping his courtroom safe. For instance, during voir dire, jurors would be spaced around the courtroom and would respond to questions by raising their hands, so they could remain masked. Then, the parties would have a chance to question the jurors individually as opposed to in a group setting. He explained that he would continue to limit the number of people in the courtroom itself and that the trial would be simulcast to a neighboring courtroom.

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