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Federal Circuit Orders District Court To Transfer Case.

In *IN RE LINK_A_MEDIA*, Miscellaneous Docket No. 990 (Dec. 2, 2011),the Federal Circuit, on a Petition for a Writ of Mandamus to the U.S. District Court for the District of Delaware, vacated the district court's denial of a motion to transfer venue.

The plaintiff in the district court action, Marvell International, is a Bermuda holding company. The named inventors of the patents-in-suit are employed by a Marvell affiliate, Marvell Semiconductor, which is headquartered in Santa Clara, California, near where the defendant is located. The defendant, Link_A_Media Devices Corp. (LAMD), is incorporated in Delaware, but maintains its head-quarters in the California. Nearly all of LAMD's 130 employees work in California, and none work in Delaware. On that basis, LAMD moved to transfer the case to the Northern District of California arguing it would be more convenient for the witnesses and the parties to try this case there.

The Federal Circuit concluded that the district court had given too much weight to Marvell's choice of forum and LAMD's state of incorporation. The Court stated, that aside from LAMD's incorporation in Delaware, that forum has no ties to the dispute or to either party. The witnesses and relevant books and records were all located in the Northern District of California, and as such, ordered the district court to transfer the case to the Northern District of California.

Federal Circuit Affirms PTO Decision That Claims Were Invalid For Obviousness.

In *In re Construction Equipment Co.*, Appeal No. 2010-1507, the Federal Circuit affirmed the PTO Board's decision from an *ex parte* reexamination proceeding that claims of the patent at issue were invalid for obviousness.

Construction Equipment Co ("CEC") is the owner of U.S. Patent No. 5,234,564 ("'564 patent"). CEC had previously sued Powerscreen International Distribution Ltd. ("Powerscreen") in the District Court in Oregon. The district court ruled that the '564 patent was valid, enforceable, and willfully infringed by Powerscreen, and entered an injunction against infringement. The Federal Circuit later affirmed the district court's judgment. *Constr. Equip. Co. v. Powerscreen Int'l Distrib. Ltd.*, 243 F.3d 559 (Fed. Cir. 2000), cert. denied, 531 U.S. 1148 (2001).

Seven (7) years later, Powerscreen requested *ex parte* reexamination of the '564 patent on the ground of obviousness, citing the same references and additional references, placing strongest reliance on the same references that had been raised before the district court. The Federal Circuit decided Powerscreen's failure to prove obviousness during the district court litigation did not preclude the PTO from considering similar arguments during reexamination.

Judge Newman dissented, stating that reexamination in the PTO should not generally be available after the issue of patentability has been litigated to a final

judgment from which no appeal can be or has been taken, on the grounds that such a reexamination proceeding is unconstitutional, or barred by considerations of *res judicata* or issue preclusion.

Federal Circuit Vacates Preliminary Injunction.

In *Warner Chilcott Labs v. Mylan Pharma*, Appeal No. 2011-1611, the Federal Circuit vacated the district court's grant of a preliminary injunction. This case is a Hatch-Waxman Act case in which Mylan filed an Abbreviated New Drug Application ("ANDA") to sell a generic version of Doryx. U.S. Patent No. 6,958,161 ("the '161 Patent"), entitled "Modified Release Coated Drug Preparation," is listed in the Orange Book as covering the drug Doryx. Approximately one month before the end of the FDA's thirty-month stay, Warner Chilcott filed motions for a temporary restraining order and a preliminary injunction against Mylan, seeking to prohibit Mylan from launching its generic product once it received final approval from the FDA. The parties briefed the motions and submitted declarations, including declarations from their respective experts. The district court heard arguments from counsel regarding both motions, but did not conduct an evidentiary hearing nor hear live testimony from witnesses. The hearing lasted just over an hour. The district court ruled that Warner Chilcott had demonstrated that: (1) it was likely to succeed in proving that Mylan's product infringed the '161 Patent; (2) it would suffer irreparable harm absent an injunction; and (3) that the balance of hardships favored Warner Chilcott. On this basis, the court entered a preliminary injunction pending resolution of the trial on the merits. Notably, the district court did not address Mylan's arguments that the '161 Patent is invalid because of anticipation or obviousness, though it did acknowledge that those claims had been asserted.

The Federal Circuit determined that the district court had abused its discretion in two ways. The district court: (1) failed to hold an evidentiary hearing despite acknowledging that the decision turned on disputed factual issues; and (2) did not weigh the evidence or make any findings as to Mylan's invalidity challenge. Accordingly, the Federal Circuit vacated the preliminary injunction and remanded the case for further proceedings, noting that the district court may consider entering a temporary restraining order, then consolidating the preliminary injunction hearing with the bench trial on the merits, assuming that can occur within the timeframes mandated by the Federal Rules of Civil Procedure.

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