Westlaw Today
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Q&A: international IP expert Matthew Bernstein on the new patent assignments for judges in Texas' Western District

AUGUST 2, 2022

On July 25, Chief U.S. District Judge Orlando Garcia of the Western District of Texas ordered all patent disputes filed in Judge Alan D. Albright's court in Waco, Texas, to go before one of a dozen judges.

Each judge, including Judge Albright, is to be randomly selected from the courts throughout Texas' Western District, including those in Austin, San Antonio and El Paso.

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Westlaw Today interviewed Perkins Coie attorney Matthew Bernstein to shed some light on how this unusual order came to be.

Westlaw Today: First of all, approximately what percentage of all patent suits are filed in Judge Albright's court? Why do patent plaintiffs find his court attractive?

Matthew Bernstein: Approximately 25% of district court patent cases are currently pending in Judge Albright's court. In my experience, both sides of the aisle tend to like Judge Albright. Judge Albright was a patent litigator and trial attorney in private practice before taking the bench, and he represented both plaintiffs and defendants in big cases. That means he knows the issues involved with patent cases very well and he is known for appreciating good trial work on both sides. Plaintiffs like that Judge Albright is relatively fast to trial, although this has slowed down given the large number of cases and the pandemic. Plaintiffs also like that Judge Albright leans toward the plain and ordinary meaning when construing patent claims. Defendants appreciate that Judge Albright has been relatively hands-on when it comes to discovery disputes, and he brings his years of experience representing real clients to the table in crafting practical solutions. Defendants also appreciate that it is not impossible for them to win on summary judgment in his court. Both sides like that Judge Albright typically does not allow fact discovery to start until after the *Markman* hearing.

WT: You have mentioned that the Eastern District of Texas was once the hotbed for patent litigation. Why was that? And why did the situation change?

MB: The Eastern District of Texas was historically known as a plaintiff/patentee-friendly jurisdiction. There were local patent rules, it was difficult to transfer out of the district, it was difficult for defendants to win dispositive motions and it was fast to trial. Many defendants were afraid to litigate in the court and so being sued in the court was often enough to force many defendants to settle quickly. The number of cases in the Eastern District of Texas dropped significantly with the U.S. Supreme Court's *TC Heartland v. Kraft Foods Group Brands LLC*, 137 S. Ct. 1514 (2017), decision that limited venue in patent cases for U.S. companies.

WT: Some members of Congress have criticized the concentration of patent cases in Albright's court. Who are these legislators and why are they so critical of the situation?

MB: Cases increased in Waco because Judge Albright was the only Article III judge in that court and the Supreme Court issued its decision in *TC Heartland.* Judge Albright did not break or violate or even stretch any rules to make Waco a popular venue for patent litigation cases. U.S. Senators [Patrick] Leahy [D-Vt.] and [Thom] Tillis [R-N.C.] have stated their distaste for patent cases being concentrated in any given jurisdiction, and so it seems like they have a problem with the court system itself, more so than Judge Albright.

WT: Recently, the U.S. Court of Appeals for the Federal Circuit has admonished Judge Albright, most notably with at least 18 decisions the appeals panel has made overturning some of the judge's refusals to transfer patent cases out of state. What part did these decisions play in Judge Garcia's order?

MB: I do not believe there is a direct correlation between the Federal Circuit's review of Judge Albright's venue decisions and Judge Garcia's order. Judge Albright obviously decided early on that Waco was going to be one of the centers of patent litigation in the U.S. He was able to do this because he was the only sitting Article III

judge in Waco, and because the *TC Heartland* decision made venue in the Western District of Texas appropriate for many technology companies that had facilities in Austin. Some of those companies moved to transfer to a "clearly more convenient" venue. Judge Albright ruled on the transfer motions, and the Federal Circuit reviewed some of those decisions and concluded those other forums clearly were more convenient. In my view, the system worked how it was supposed to.

WT: Judge Albright has indicated that he will follow the Federal Circuit's "guidance." Given his apparent acceptance of the Federal Circuit's direction, is Judge Garcia's order a surprise?

MB: I don't agree with the suggestion that Judge Garcia's order was in response to the Federal Circuit's decisions overturning Judge Albright on venue. I also don't see how having 11 other judges, many with little patent experience, addresses the issue of venue or otherwise automatically results in a more efficient or better experience for patent litigants. For example, to my knowledge, most of these judges do not have special rules to handle patent cases the way Judge Albright (and other patent- heavy courts like the Northern District of California) do. I am not aware of there being any public suggestion that Judge Garcia was going to take any action, much less this drastic action, prior to his issuing the order.

WT: Do you have any predictions for how this situation will play out? Will patent plaintiffs continue to disproportionately file suits in Texas' Western District? And will Judge Albright change the way he runs his court?

MB: For Judge Albright's currently pending cases, and there are hundreds of them, I do not believe there will be any changes in how he handles them or runs his court. As for new cases, I think in the short term there will be a reduction in new cases filed, until it becomes more clear how things will work in light of Judge Garcia's order. For example, will each of the 12 judges use their own rules for managing patent cases and patent rules, will they adopt Judge Albright's rules in part or full, will there be new district-wide rules for handling patent cases, will there be intradistrict transfers, among other things. The assignment order also raises significant questions about discovery — with the Western District being so big, the 100-mile rule may prove problematic if you're, say, randomly assigned to El Paso but key witnesses are located in and around Austin 500 miles away.

In the medium term and long term, no matter what happens I believe the Western District of Texas will remain a popular jurisdiction for patent cases, although likely not as popular. With many companies having offices in Austin, it will remain a viable venue. I do think, however, that foreign defendants are now much more likely to be sued in the Eastern District of Texas than the Western District of Texas. Foreign defendants are not subject to *TC Heartland*.

About the author

Matt Bernstein is co-managing partner at the Taipei office of **Perkins Coie** and is considered a go-to patent litigator and trial attorney for his U.S. and international clients with a record of successful results for his clients. He can be reached at MBernstein@perkinscoie.com.

This article was first published on Westlaw Today on August 2, 2022.