No. 22-153

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

IN RE MONOLITHIC POWER SYSTEMS, INC.,

Petitioner.

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas, Case No. 6:21-cv-00655-ADA, Judge Alan D. Albright

PETITION FOR EN BANC REHEARING

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NOVEMBER 30, 2022

CERTIFICATE OF INTEREST

Counsel for Monolithic Power Systems, Inc. certify under Federal Circuit Rule 47.4 that the following information is accurate and complete to the best of their knowledge:

1. **Represented Entities.** Provide the full names of all entities represented by undersigned counsel in this case.

Monolithic Power Systems, Inc.

2. **Real Party in Interest.** Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.

None.

3. **Parent Corporations and Stockholders.** Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.

Blackrock, Inc. and The Vanguard Group, Inc. each own 10% or more of Monolithic Power Systems, Inc.'s stock.

4. **Legal Representatives.** List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court.

MORRISON & FOERSTER LLP: Rachel S. Dolphin, Lily Li, Ruohan Li

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SHELTON COBURN LLP: Barry K. Shelton (no longer with firm)

PERKINS COIE LLP: John D. Esterhay, John P. Schnurer, M. Craig Tyler, Miguel J. Bombach

5. **Related Cases.** Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case.

None.

6. **Organizational Victims and Bankruptcy Cases.** Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees).

Not applicable.

Dated: November 30, 2022 /s/ Deanne E. Maynard

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FEDERAL CIRCUIT RULE 35(b)(2) STATEMENT

This appeal requires an answer to a precedent-setting question of exceptional importance: whether the legal inquiry for venue under 28 U.S.C. § 1400(b) turns on whether the employer's actions have created a "regular and established place of business" in the district, not on its employees' actions from their private homes.

Dated: November 30, 2022 /s/ Deanne E. Maynard

INTRODUCTION

The Supreme Court requires simple, administrable interpretations of statutes governing who can be sued where. The patent venue statute's limit on suing a defendant where it has a "regular and established place of business" requires courts to focus on whether the *defendant* has created such a place. Nearly 100 years of precedent confirms the required inquiry must be clear and predictable, allowing defendants to be reasonably certain about where their actions will, and will not, subject them to suit. But in a precedential decision, a divided panel departed from settled precedent and embraced a flawed inquiry into "the nature of the work that *employees* perform from their homes." ADD5-6 (emphasis added).

The panel majority's decision conflicts with the statutory text and settled precedent. As Judge Lourie warned in dissent, allowing the appealed ruling to stand "threatens to bring confusion to the law" on venue and "erode the clear statutory requirement of a regular and established place of business." ADD11. The result will be protracted legal battles over threshold issues that will waste judicial and party resources and increase unwarranted forum-shopping.

The Court should grant rehearing to restore predictability now. As Judge Lourie emphasized, "[g]iven the increased prevalence of remote work," immediate review is "important to maintain uniformity of the court's clear precedent." ADD11-12.

BACKGROUND

A. Despite Monolithic having no facilities in Texas, the district court found venue proper in the Western District

Monolithic is an international semiconductor company making power circuits used in electronic systems throughout the world. Appx2-3, Appx8, Appx11. It is incorporated in Delaware with U.S. regional headquarters in California, Washington, and Michigan. Appx2-3, Appx8, Appx11, Appx20; Appx581; Appx693. Monolithic has no offices or facilities in Texas. Appx2, Appx8. Its U.S. sales office, the majority of its U.S. engineering team, and roughly two-thirds of its U.S workforce are in California. Appx693, Appx750-751.

Monolithic was sued for patent infringement in the Western District of Texas by Bel Power Solutions Inc., a Delaware corporation with a single physical location in California. Appx8, Appx12-13; Appx35-99; Appx543-544. Monolithic moved to dismiss or transfer for improper venue. Appx1-22; Appx761-782. Citing a lone district-court decision, Judge Albright denied the motion, holding four employees' private homes within the district qualified as Monolithic's "regular and established place of business" under 28 U.S.C. § 1400(b) because some of those employees had office equipment at home, one had some off-the-shelf electronics equipment, and two possessed or distributed engineering samples. Appx4-7 (citing *RegenLab USA LLC v. Estar Techs. Ltd.*, 335 F. Supp. 3d 526 (S.D.N.Y. 2018)).

B. A divided panel denied mandamus in a precedential decision

A divided panel of this Court denied Monolithic's mandamus petition in a precedential decision. ADD1-12. Despite acknowledging this Court's many decisions granting mandamus "for alleged § 1400(b) violations where immediate intervention is necessary to assure proper judicial administration," the panel majority thought mandamus unnecessary. ADD4. It reasoned that disputes about employee homes are "fact-laden" and that the evidence about off-the-shelf electronics equipment presented "an idiosyncratic set of facts." ADD4-6. Even so, the majority indicated its decision "should necessarily not be interpreted" as "disagree[ing] with the dissent's analysis of the ultimate merits of the venue issue." ADD7.

Judge Lourie dissented because "[t]he district court's erroneous ruling threatens to bring confusion to the law" and "erode the clear statutory requirement of a regular and established place of business." ADD11. He explained this Court rejected venue "under materially similar circumstances" in *In re Cray Inc.*, 871 F.3d 1355, 1360 (Fed. Cir. 2017), and *Celgene Corp. v. Mylan Pharms. Inc.*, 17 F.4th 1111 (Fed. Cir. 2021). ADD9. As in those cases, Monolithic "does not own, lease, or exercise control over" employee homes; "does not require these four employees to (continue to) reside in the Western District"; and "does not list or advertise their homes" as Monolithic locations. ADD10. Also, the district court failed to consider the nature of Monolithic's presence in the Western District "'*in comparison with*'"

its other places of business. ADD11 (quoting *Cray*, 871 F.3d at 1364; emphasis by dissent). That comparison shows "Monolithic maintains three regional headquarters" outside Texas and "clearly does not" have a business model "of using employees' homes as a place of business." ADD11.

REHEARING IS NEEDED TO RESTORE CLARITY ON VENUE

Rehearing is necessary to restore the clarity and predictability required by Section 1400(b)'s text and Supreme Court precedent as well as to bring the decision here in line with the precedent of this and other circuits.

A. The Panel Majority's Decision Contravenes The Statutory Text And Conflicts With Settled Precedent

1. The statutory text demands an inquiry into the actions of the defendant, not its employees

Section 1400(b) is "the sole and exclusive provision controlling venue in patent infringement actions." *TC Heartland v. Kraft Foods Grp. Brands*, 137 S. Ct. 1514, 1519 (2017) (citation omitted). For nonresident defendants, the statute permits suit only where the "defendant … has a regular and established place of business." 28 U.S.C. § 1400(b). This limit "'is specific and unambiguous.'" *Celgene*, 17 F.4th at 1120 (citation omitted). It requires: (1) "a physical place," (2) "of business," that is (3) "of the defendant." *Cray*, 871 F.3d at 1360, 1364. The plain text thus trains the inquiry on where "the defendant" maintains a regular and established place of

business, "not where the defendant's employee owns a home in which he carries on some of the work that he does for the defendant." *Id.* at 1365 (citation omitted).

Longstanding precedent demands clear rules adhering to the limits Congress prescribed. "[J]udicial administration" of statutes governing case-initiating requirements like jurisdiction and venue must "remain as simple as possible." *Hertz Corp. v. Friend*, 559 U.S. 77, 80 (2010); *In re Google*, 949 F.3d 1338, 1347 (Fed. Cir. 2020). Clarity is "especially important" to avoid "the courts and the parties" wasting "great energy, not on the merits of dispute settlement, but on simply deciding whether" threshold requirements are met. *United States v. Sisson*, 399 U.S. 267, 307 (1970); *Google*, 949 F.3d at 1346-47. Thus, as this Court has emphasized, Section 1400's limitation is "not one of those vague principles that, in the interests of some overriding policy, is to be given a liberal construction.'" *Celgene*, 17 F.4th at 1120 (citation and alteration omitted). Rather, courts must bear in mind that "the Supreme Court has cautioned against a broad reading of the venue statute." *Google*, 949 F.3d at 1346-47.

2. **Cray** ***and*** **Celgene** ***focus on whether the defendant has established or ratified a business location***

Before this case, this Court had remained true to the statutory text by focusing the legal inquiry on the actions "*of the defendant*," not its employees. *Cray*, 871 F.3d at 1363 (emphasis in *Cray*). An in-district location where employees perform work (such as a private home) does not suffice for venue unless the defendant

"establish[ed] or ratif[ied] the place" as its own. *Id.* at 1363-65. This Court thus has considered whether the defendant exercises "'attributes of possession or control over the place,'" "'condition[s] employment'" on "'storing'" items in the district or "'an employee's continued residence'" there, or "represent[s]" or "advertis[es]" a location as the defendant's place of business. *Celgene*, 17 F.4th at 1122-23. It also has considered "the nature and activity of the alleged place of business of the defendant in the district in comparison with that of other places of business of the defendant in other venues." *Cray*, 871 F.3d at 1364 (recognizing that even an in-district office "is not sufficient" unless the defendant "actually engage[s] in business" there).

Cray illustrates this defendant-focused inquiry. The defendant's sales executive and territory manager lived in the district where the defendant was sued. *Cray*, 871 F.3d at 1357, 1364-65. The defendant relied on them to solicit customers, "offered administrative support" to at least one of them at home, and reimbursed "phone, internet, and business-related expenses." *Id.* One employee also listed his in-district phone number as a business number for customers. *Id.* Yet the Court concluded this evidence merely showed the defendant "allowed its employees to work from" the district. *Id.* What mattered was the absence of evidence that the defendant "own[ed], lease[d] or rent[ed]" any portion of the employees' homes, "played a part in selecting the place's location," "conditioned" continued

"employment or support on the maintenance of an" in-district location, or "had any intention to maintain some place of business in that district in the event" the employees "decided to terminate their residences as a place where they conducted business." *Id.* That distinguished *Cray* from the Court's earlier *Cordis* decision, where the defendant had conditioned employment on storing items in the district and advertised in-district locations as its place of business. *Id.* (citing *In re Cordis Corp.*, 769 F.2d 733, 735 (Fed. Cir. 1985)).

Celgene is similar. Seventeen of the defendant's tens of thousands of employees lived in New Jersey. *Celgene*, 17 F.4th at 1123. Some employees listed their New Jersey home addresses on business cards. *Id.* The defendant also had posted a job opening "asking that candidates live in New Jersey or 'within reasonable driving distance.'" *Id.* And some employees rented lockers in New Jersey and used them "to intermittently store and access product samples." *Id.* at 1123-24. Yet none of that evidence showed the defendant had chosen or ratified any of the various locations as its place of business, and this Court held venue in New Jersey improper. *Id.*

3. Regional circuits applying the patent-venue statute similarly focused on the defendant's actions

Before this Court's creation, the regional circuits likewise focused on a defendant's actions, routinely rejecting patent venue based on private homes and similar locations. For example, in *American Cyanamid Co. v. NOPCO Chemical*

Co., the Fourth Circuit rejected venue based on the in-district home of a defendant's regional sales manager. 388 F.2d 818, 819-20 (1968). The home was centrally located within the region the employee supervised; the defendant paid for and insured an automobile stored at the home; and the employee kept product brochures and copies of orders and invoices there, met with subordinate salesmen there, and occasionally employed a part-time secretary, which the defendant reimbursed. *Id.* Nevertheless, the Fourth Circuit held those facts focused on the wrong inquiry, showing at most "a physical location where an employee of the defendant carries on a part of his work." *Id.* Section 1400(b) "clearly requires" focusing on "where 'the defendant has a regular and established place of business,'" not evidence about the nature of the employee's work. *Id.* (alteration omitted). Other circuits concurred. *Univ. of Ill. Found. v. Channel Master Corp.*, 382 F.2d 514, 515-17 (7th Cir. 1967); *Johnson & Johnson v. Picard*, 282 F.2d 386, 387-88 (6th Cir. 1960) (granting mandamus).

Regional circuits also narrowly interpreted the patent venue statute even when a defendant maintained an in-district office for remote employees, rejecting venue if that office was "merely incidental" when compared to the defendant's other locations. *E.g.*, *Wilson v. McKinney Mfg. Co.*, 59 F.2d 332, 333-36 (9th Cir. 1932) (applying predecessor statute with same relevant wording and collecting authorities; citation omitted). In *Wilson*, the defendant had a main office and manufacturing

plant in Pennsylvania. *Id.* But it also maintained a California office with its name on the door and in the local phone directory. *Id.* It staffed the office with a salesman and other employees and stored product samples there. *Id.* Yet relative to other locations, the California office played a limited role in the business—the salesman could only solicit orders, which had to be placed with the Pennsylvania office; the Pennsylvania office handled all billing and collections for sales; and products were stored and shipped only from Pennsylvania. *Id.* Applying Supreme Court precedent, the Ninth Circuit held the California office could not qualify as a "regular and established place of business." *Id.* (citing *W.S. Tyler Co. v. Ludlow-Saylor Wire Co.*, 236 U.S. 723 (1915)).

This Court's interpretation accorded with that precedent, until now. The courts agreed that basing patent venue on employees' private homes is proper only in rare, readily discernible circumstances, such as when a defendant has no traditional business location but instead maintains "a business model whereby many employees' homes are used by the business as a place of business of the defendant." *Cray*, 871 F.3d at 1364 n.*. And they recognized that the correct inquiry includes comparing a defendant's in-district activities to its business activities elsewhere.

4. The majority decision contravenes the statutory text and conflicts with precedent by embracing the district court's flawed inquiry into employees' actions

Despite the statutory text and this precedent, the panel majority refused to correct, and even embraced, a far-ranging inquiry into employees' choices of how and where to work. Had the panel instead applied the approach of *Cray* and *Celgene*, and that of the other circuits, mandamus would have been compelled. *See* ADD9 (Lourie, J., dissenting).

The majority and the district court recounted facts that should have required dismissal or transfer under the correct inquiry: Monolithic has not owned, leased, or exercised control over any employee's home. ADD2; Appx4. It has not conditioned employment on continued residence in the district. Appx4. And it has not advertised employees' homes as its place of business. Appx4; *see Cray*, 871 F.3d at 1364-65 (emphasizing similar fact); *Celgene*, 17 F.4th at 1123-24.

Instead of focusing on Monolithic's actions, the panel majority—like the district court—focused on individual employees' actions. Appx4-7; ADD4-6. The majority noted that one employee had Monolithic-provided off-the-shelf electronics testing equipment that "'is not typically found in a generic home office'" and that he used "'to conduct testing and validation as part of his job.'" ADD5 (quoting Appx4-7); Appx741-743. Yet as Judge Lourie explained, the mere presence in an employee's home of items typical to the employee's job is insufficient to establish

venue because it does not show relevant conduct by the *defendant*. ADD9-12; *Celgene*, 17 F.4th at 1124. Under the correct inquiry, there must be evidence that the defendant chose the in-district location, such as by "condition[ing] employment" on storing items in the district. *Cray*, 871 F.3d at 1363. There is no such evidence here. Indeed, the employee explained he uses the items here to support Monolithic "customers worldwide," confirming the items' presence says nothing about whether Monolithic created an in-district location. Appx668.

Nothing supports the majority's conclusion that mandamus is unwarranted because there is "some 'evidence that the employees' location' in the district 'was material to' Monolithic." ADD5 (quoting *Cray*, 871 F.3d at 1365 with a "*cf.*"). *Cray* requires assessing whether a defendant "establish[ed] or ratif[ied]" a location as its place of business, not whether an employee's chosen location is "material to" the defendant. 871 F.3d at 1363-64. In addition, although the majority stated that a Monolithic employee "conduct[s] validation tests for at least one of Monolithic's in-district customers" (ADD5 (citing Appx734)), the employee explained he worked with a team for that customer located "[o]utside of Houston," which is in a different district (Appx668-669).

The panel majority again departed from precedent in refusing mandamus because of evidence that another employee "maintain[ed]" Monolithic "product" at home. ADD4. The evidence showed Monolithic had shipped "a small number

(about fifteen or so) of engineering samples" to the employee, who "does not store" them but "delivers them to local customers." Appx4-7; Appx741-743. As Judge Lourie again recognized, *Celgene* rejected venue on identical facts—employees rented in-district storage lockers to "store and access product samples" they used to woo in-district doctors. *Celgene*, 17 F.4th at 1124; *id.*, ECF29 at Appx56-57; ADD10-11. Because both here and in *Celgene* there was no evidence employees were required to use an in-district location for this purpose, such evidence is insufficient to show the in-district location is "anything but the employees' choice." *Celgene*, 17 F.4th at 1124. In granting mandamus, *Cray* distinguished *Cordis* on the same basis because Cordis "affirmatively acted to make permanent operations within that district" and "used its employees' homes like distribution centers." *Cray*, 871 F.3d at 1364-65. For that reason, the panel majority here was wrong in suggesting that *Cordis* supports venue based on mere in-district storage at an employee's home. *Contra* ADD5.

The majority also endorsed the wrong inquiry about solicitations of employees—one conflicting with *Celgene*, as Judge Lourie noted. ADD4; ADD10-11. The majority cited a purported "Monolithic[] history of soliciting employees in the Western District of Texas." ADD4. Yet here, that "history" consists of two undated, duplicative job postings and one employment requisition form referring to Austin, none of which produced new hires. Appx4-5; Appx642-

644; Appx645-647; Appx672-674; Appx728-729. Missing from that history: any requirement that employees live in the Western District of Texas. Appx642-644; Appx645-647; Appx672-674; Appx728-729. That absence was dispositive in *Celgene*, which rejected venue because similar job postings lacked any "requirement to actually live in" the district or "any restriction on moving out of state." 17 F.4th at 1123.

As Judge Lourie also recognized, the analysis applied here conflicts with precedent in yet another way: "the nature and activity of" the in-district location should have been compared to that of Monolithic's "places of business" outside the district. *Cray*, 871 F.3d at 1364; ADD11; *supra* Part A.3. That comparison shows each employee's home is just a home and "not really a place of business at all." *Cray*, 871 F.3d at 1364. After all, "[i]n contrast to the handful of employees in the Western District of Texas at issue here who work from home, Monolithic maintains three regional headquarters in other venues." ADD11; Appx693.

Thus, although the majority declined to reach the ultimate venue question, its rationale for doing so contradicts settled precedent about the correct legal inquiry for analyzing the statutory requirement of a "'regular and established place of business.'" ADD4-6. Indeed, the majority expressly endorsed a "fact-laden" inquiry into "the nature of the work that employees perform from their homes." ADD5-6. Such an inquiry conflicts with Section 1400(b)'s plain text, *Cray*, *Celgene*, and the

historical understanding of patent venue. *Supra* Parts A.1-3. Plus, it is precisely the kind of unpredictable inquiry the Supreme Court rejects for threshold issues like venue. *Supra* Part A.1.

At bottom, the majority's refusal to grant mandamus is irreconcilable with *Cray* and *Celgene*, both of which rejected venue in "materially similar circumstances," with *Cray* doing so on mandamus review. ADD9 (Lourie, J., dissenting). The different outcome here creates a quintessential conflict warranting full Court review. Without further review, the panel majority's decision will create the "leaky sieve" Judge Lourie described, allowing "avoidance of the basic requirements of the statute." ADD10.

B. Clarity And Predictability Are Critical For Venue, And The Majority Decision Undermines Both

The proper interpretation of Section 1400(b) is especially important in the modern work environment. The coronavirus pandemic forced many employers to allow more options for how and where employees work. The uncertainty resulting from the majority's decision will affect every company with employees working from home in jurisdictions where the company has no office. Left standing, the decision will force employers to monitor employees' personal choices for possible legal consequences. *See* Ryan Davis, *Ruling May Spur New Patent Venue Rows Over Remote Work*, LAW360.COM, (Nov. 3, 2022) (practitioner warning that

"[c]ompanies are going to need to be aware" of "remote employees' activities").[1] Like Judge Lourie, practitioners and legal commenters are already warning that the majority's decision has created "[m]ore [c]onfusion" and will "add[ ] to the length of time" needed for "venue discovery" while "complicat[ing] matters." *Id.*

These problems will be exacerbated by well-documented forum-shopping in patent cases, which allows enterprising plaintiffs to use uncertainty and increased litigation costs for unfair advantage. "[F]orum shopping not only increases litigation costs inordinately and decreases one's ability to advise clients, it demeans the entire judicial process and the patent system." *Comm'n on Revision of the Fed. Court Appellate Sys., Structure & Internal Procedures: Recommendations for Change*, 67 F.R.D. 195, 370-71 (1975). That is why the Supreme Court warns against interpreting venue statutes in ways that "create or multiply opportunities for forum shopping." *Ferens v. John Deere Co.*, 494 U.S. 516, 523 (1990). Chief Justice Roberts recently reiterated these concerns. *2021 Year-End Report on the Federal Judiciary* 5 (ordering a review of "judicial assignment and venue for patent cases in federal trial court").[2] This is yet another reason to grant further review: "an important role of the Federal Circuit is to eliminate forum shopping on either

[1] *Available at* https://www.law360.com/articles/1546464/ruling-may-spur-new-patent-venue-rows-over-remote-work.

[2] *Available at* https://www.supremecourt.gov/publicinfo/year-end/2021year-endreport.pdf.

substantive or procedural grounds." *Beverly Hills Fan Co. v. Royal Sovereign Corp.*, 21 F.3d 1558, 1565 n.13 (Fed. Cir. 1994).

C. Rehearing And Mandamus Are Needed Now

This Court has repeatedly exercised its mandamus authority to correct clear legal errors in interpreting Section 1400(b). *E.g.*, *Google*, 949 F.3d at 1346-47; *In re Micron Tech., Inc.*, 875 F.3d 1091, 1095 (Fed. Cir. 2017); *Cray*, 871 F.3d at 1360. It consistently reviews such rulings "where doing so is important to 'proper judicial administration.'" *Micron*, 875 F.3d at 1095 (citation omitted); *La Buy v. Howes Leather Co.*, 352 U.S. 249, 259-60 (1957) (affirming use of mandamus for "supervisory control of the District Courts by the Courts of Appeals" to promote "proper judicial administration"). This is just such a case.

Although improper-venue challenges are theoretically reviewable after final judgment, as a matter of practice, mandamus review is this Court's only effective mechanism for supervising overly broad interpretations of Section 1400(b). Since this Court's creation, just three post-judgment decisions have reviewed the *denial* of an improper-venue challenge. *BASF Plant Sci., LP v. Commonwealth Sci. & Indus. Rsch. Org.*, 28 F.4th 1247 (Fed. Cir. 2022); *Hoover Grp. v. Custom Metalcraft*, 84 F.3d 1408 (Fed. Cir. 1996); *Minn. Mining & Mfg. v. Eco Chem, Inc.*, 757 F.2d 1256 (Fed. Cir. 1985). That contrasts with post-judgment reviews of *grants* of improper-venue motions, which often lead to immediately appealable judgments. *E.g.*,

Celgene, 17 F.4th at 1122-24. Thus, absent mandamus review, this Court's oversight would be one-sided: reviewing restrictive interpretations of the venue statute, while leaving overly broad interpretations all but unreviewed.

The panel majority suggested mandamus is unnecessary because venue is "presented at the outset of a case." ADD6. But it is venue's threshold nature that compels clear, predictable rules. *Google*, 949 F.3d at 1347. Refusing to correct departures from those rules wreaks havoc by increasing litigation costs and uncertainty, encouraging forum shopping, and wasting judicial and party resources. ADD10 (Judge Lourie noting wasteful "stress[]" on judicial system from such decisions).

Immediate review is needed, as Judge Lourie recognized. ADD11-12. Granting rehearing and mandamus will prevent, not prompt, this Court being "regularly drawn into" venue disputes. *Contra* ADD6. After all, until this decision, district courts were correctly interpreting Section 1400(b) and rejecting venue in like circumstances. *E.g.*, *Regents of Univ. of Minn. v. Gilead Scis., Inc.*, 299 F. Supp. 3d 1034 (D. Minn. 2017); *BillingNetwork Pat., Inc. v. Modernizing Med., Inc.*, No. 17-cv-5636, 2017 WL 5146008 (N.D. Ill. Nov. 6, 2017); Mandamus Pet. 19-21 (collecting more cases); 8 Chisum on Patents § 21.02[2][d] (same). Even *RegenLab*, the decision relied on by the district court, aligns with precedent because it presented

Cray's hypothetical scenario of a defendant with a business model of all employees working from home. *Cray*, 871 F.3d at 1364 n.*.

Unless set aside, the decision here will upend the settled understanding of Section 1400(b) and create more venue disputes, as plaintiffs continue their "not-infrequent attempt[s] to skirt around the statute to sue out-of-state defendants." ADD10 (Lourie, J., dissenting).

CONCLUSION

The petition should be granted.

Dated: November 30, 2022

Respectfully submitted,

/s/ Deanne E. Maynard

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ADDENDUM

IN RE MONOLITHIC POWER SYSTEMS, INC.

No. 22-153 (Fed. Cir.)

ADDENDUM
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United States Court of Appeals for the Federal Circuit

IN RE: MONOLITHIC POWER SYSTEMS, INC.,
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2022-153

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:21-cv-00655-ADA, Judge Alan D. Albright.

ON PETITION

DEANNE MAYNARD, Morrison & Foerster LLP, Washington, DC, for petitioner. Also represented by SETH W. LLOYD; WEIZHI STELLA MAO, BRYAN J. WILSON, Palo Alto, CA; DIEK VAN NORT, San Francisco, CA.

CHRISTOPHER FERENC, Katten Muchin Rosenman LLP, Washington, DC, for respondent Bel Power Solutions Inc. Also represented by ANDREW JOHN PECORARO, ROBERT THOMAS SMITH; BRIAN SODIKOFF, Chicago, IL.

Before LOURIE, CHEN, and STARK, *Circuit Judges*.

Opinion for the court filed PER CURIAM.

Dissenting opinion filed by *Circuit Judge* LOURIE.

PER CURIAM.

O R D E R

Monolithic Power Systems, Inc. petitions for a writ of mandamus directing the United States District Court for the Western District of Texas to dismiss or transfer this case to the United States District Court for the Northern District of California. Bel Power Solutions Inc. opposes. For the following reasons, we *deny* the petition.

I.

Bel Power brought this suit alleging that Monolithic infringes Bel Power's patents by selling certain power modules to original equipment manufacturers (OEMs) and other distributors and customers that use the products in their own electronic devices. Monolithic moved to dismiss or transfer for lack of venue under 28 U.S.C. § 1406(a) and Federal Rule of Civil Procedure 12(b)(3), arguing that, as a Delaware corporation, it does not "reside" in the Western District within the meaning of 28 U.S.C. § 1400(b); that it does not own or lease any property in that district; and that the homes of four fulltime remote employees in the Western District identified in the complaint to support venue do not constitute a "regular and established place of business" of Monolithic. Monolithic alternatively moved to transfer under 28 U.S.C. § 1404(a) to the Northern District of California.

The district court denied both requests. The court first rejected Monolithic's improper venue challenge, finding Monolithic viewed maintaining a business presence in the Western District as important, as evidenced by a history of soliciting employment in Austin to support local OEM customers, even if none of its Western District employees were required to reside there. The court also found significant that Monolithic provided certain employees in the Western District with lab equipment or products to be used in or distributed from their homes as part of their responsibilities. Based on those findings, the court concluded that the circumstances surrounding venue here were

distinguishable from *In re Cray Inc.*, 871 F.3d 1355 (Fed. Cir. 2017), and more similar to circumstances that another district court in *RegenLab USA LLC v. Estar Technologies Ltd.*, 335 F. Supp. 3d 526 (S.D.N.Y. 2018), found sufficient to support venue.

Having concluded that venue over Monolithic in the Western District was proper, the court then analyzed whether the convenience of parties and witnesses and the interests of justice weighed in favor of transfer, following the multi-factor approach adopted by the United States Court of Appeals for the Fifth Circuit in *In re Volkswagen of America, Inc.*, 545 F.3d 304, 310 (5th Cir. 2008) (en banc). After considering those factors, the court determined that Monolithic had failed to demonstrate that the Northern District of California was clearly more convenient than the Western District and thus denied transfer.

Monolithic then filed this petition challenging the court's determination that the Western District is a proper venue under § 1400(b) based on its employees' homes. Monolithic also contends that the district court clearly abused its discretion in its assessment of the relevant transfer factors under § 1404(a). We have jurisdiction under 28 U.S.C. §§ 1651(a) and 1295(a)(1).

II.

Under the All Writs Act, federal courts "may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law." 28 U.S.C. § 1651(a). Before a court may issue the writ, three conditions must be satisfied: (1) the petitioner must have "no other adequate means to attain the relief he desires"; (2) the petitioner must show that the right to the writ is "clear and indisputable"; and (3) the court "in the exercise of its discretion, must be satisfied that the writ is appropriate under the circumstances." *Cheney v. U.S. Dist. Ct. for D.C.*, 542 U.S. 367, 380–81 (2004) (citations and

internal quotation marks omitted). Monolithic has not met these requirements with respect to either of its challenges.

A

As to the district court's refusal to dismiss or transfer for improper patent venue, "[o]rdinarily, mandamus relief is not available for rulings on [improper venue] motions under 28 U.S.C. § 1406(a)" because post-judgment appeal is often an adequate alternative means for attaining relief. *In re Volkswagen Grp. of Am., Inc.*, 28 F.4th 1203, 1207 (Fed. Cir. 2022) (citing *In re HTC Corp.*, 889 F.3d 1349, 1352–53 (Fed. Cir. 2018)). We have found mandamus to be available for alleged § 1400(b) violations where immediate intervention is necessary to assure proper judicial administration. *See, e.g.*, *In re ZTE (USA) Inc.*, 890 F.3d 1008, 1011 (Fed. Cir. 2018); *In re BigCommerce, Inc.*, 890 F.3d 978, 981 (Fed. Cir. 2018); *In re Micron Tech., Inc.*, 875 F.3d 1091, 1095 (Fed. Cir. 2017); *Cray*, 871 F.3d at 1360. But Monolithic has not shown that mandamus is necessary for this purpose here.

We are not persuaded that the district court's venue ruling implicates a "basic, unsettled, recurring legal issue[] over which there is considerable litigation producing disparate results," or similar circumstances that might warrant mandamus. *Micron*, 875 F.3d at 1095. The court analyzed Monolithic's arguments under the factors established in *Cray* for determining whether, for purposes of venue, a defendant has sufficiently ratified a place of business to make it its own. And it did so based on the specific circumstances surrounding Monolithic's history of soliciting employees to work in the Western District to support Monolithic's local OEM customers in that district and the extent and type of laboratory equipment and product maintained in the homes of those employees.

Among other things, the court noted that one employee, Jason Bone, "possesses a fair amount of Monolithic's equipment, including two oscilloscopes, four to five power

supplies, two electric loads, a logic analyzer, a soldering iron, a multimeter, a function generator, three to five samples of microcontrollers, MOSFETs, five op-amps, ten to fifteen comparators, twenty inductors, and fifty sample demonstration boards." Appx6. And Monolithic provided that equipment, "which is not typically found in a generic home office," for "the sole purpose of allowing Mr. Bone to conduct testing and validation as part of his job." *Id.* Specifically, Mr. Bone uses these in-home tools and equipment to conduct validation tests for at least one of Monolithic's in-district customers. *See* Appx734 (cited by Pet. at 15); *cf. In re Cordis Corp.*, 769 F.2d 733, 735, 737 (Fed. Cir. 1985) (finding venue proper in district where defendant's employees stored defendant's "literature, documents and products" in their in-district homes rather than in a separately leased or owned warehouse of the defendant); *Celgene Corp. v. Mylan Pharms. Inc.*, 17 F. 4th 1111, 1124 (Fed. Cir. 2021) (finding venue improper where defendant's employees chose to rent storage lockers to store defendant's product samples with no evidence that defendant "established or ratified" said lockers).[1] In this case, there is some "evidence that the employees' location" in the district "was material to" Monolithic. *Cf. Cray*, 871 F.3d at 1365.

The dissent may well be correct that the issue of imputing employee homes to a defendant for purposes of venue will become an issue of greater concern given the shift to

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[1] Monolithic emphasizes the lack of evidence that its four employees in the Western District of Texas work with the products accused of infringement in this case. *See, e.g.*, Pet. Br. at 14–16; Pet. Reply. at 2–5. We have held, however, that § 1400(b) does not require a causal relationship between a defendant's regular and established place of business and the acts of infringement. *See In re Google*, No. 2018-152, 2018 WL 5536478, at *3 (Fed. Cir. Oct. 29, 2018).

remote work. But, in our view, at present, the district court's ruling does not involve the type of broad, fundamental, and recurring legal question or usurpation of judicial power that might warrant immediate mandamus review. As we have stated: "Not all circumstances in which a defendant will be forced to undergo the cost of discovery and trial warrant mandamus[because t]o issue a writ solely for those reasons would clearly undermine the rare nature of its form of relief and make a large class of interlocutory orders routinely reviewable." *In re BP Lubricants USA Inc.*, 637 F.3d 1307, 1313 (Fed. Cir. 2011); *cf. La Buy v. Howes Leather Co.*, 352 U.S. 249, 259 (1957) (explaining that "trial before a regular, experienced trial judge rather than before a temporary substitute appointed on an ad hoc basis and ordinarily not experienced in judicial work" was an example of "impelling reason for" mandamus relief). As is evident from other venue cases, the nature of the work that employees perform from their homes on behalf of their employers is varied. And given the nature of Mr. Bone's work in particular, it appears that this case may present an idiosyncratic set of facts. For us to be regularly drawn into such fact-laden disputes, presented at the outset of a case, often before much can be reasonably predicted about how a case will proceed and whether trial is a reasonable prospect, would be inconsistent with the limited nature of the writ of mandamus. *See generally Cray*, 871 F.3d at 1362 ("In deciding whether a defendant has a regular and established place of business in a district, no precise rule has been laid down and each case depends on its own facts."); *id.* at 1366 ("We stress that no one fact is controlling."). Thus, we conclude that Monolithic has not demonstrated the type of concerns that we have relied on when granting immediate mandamus review. *Compare In re Google LLC*, No. 2018-152, 2018 WL 5536478, at *2–*3 (Fed. Cir. Oct. 29, 2018) (denying mandamus for a venue challenge to allow the issue to percolate in the district courts so as to more clearly define the importance, scope, and nature of the issues for us to review), *with In re Google LLC*, 949 F.3d

1338, 1342–43 (Fed. Cir. 2020) (granting mandamus for a similar challenge after a "significant number of district court decisions that adopt[ed] conflicting views" "crystallized and brought clarity to the issues").

We conclude that Monolithic has not shown a clear and indisputable right to mandamus relief on its improper venue challenge, so we do not reach the merits of that challenge. Thus, our conclusion should necessarily not be interpreted as a disagreement with the dissent's analysis of the ultimate merits of the venue issue.

B

Monolithic also challenges the district court's decision to deny transfer under § 1404(a), which we review under regional-circuit law. *See In re Samsung Elecs. Co.*, 2 F.4th 1371, 1375 (Fed. Cir. 2021). Our task on mandamus is limited to seeing if there was such a clear abuse of discretion that refusing transfer amounted to a patently erroneous result. *See In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008). We cannot say that such a clear abuse of discretion occurred here. The district court reviewed and weighed all of the relevant factors. The court found, among other things, that the locus of events giving rise to this suit largely took place outside of the transferee venue and that the Texas forum, where several of Monolithic's customers are located, could more easily access relevant information pertaining to induced and contributory infringement and could compel several potential third-party witnesses. The court weighed these and other administrative factors against two willing witnesses within the transferee forum favoring transfer and determined that Monolithic had not demonstrated that the transferee form was clearly more convenient. This is not a case in which there is "only one correct outcome." *In re Vistaprint Ltd.*, 628 F.3d 1342, 1344, 1347 (Fed. Cir. 2010). Mindful of the standard of review, we are not prepared to say Monolithic has shown a

clear right to disturb those findings under the circumstances of this case.

Accordingly,

IT IS ORDERED THAT:

The petition is denied.

FOR THE COURT

September 30, 2022
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

United States Court of Appeals for the Federal Circuit

IN RE: MONOLITHIC POWER SYSTEMS, INC.,
Petitioner

2022-153

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:21-cv-00655-ADA, Judge Alan D. Albright.

LOURIE, *Circuit Judge*, dissenting.

I respectfully dissent from the majority's decision to deny mandamus. In my view, it is clear that venue is improper in the Western District of Texas because Monolithic Power Systems, Inc. does not "reside[]" there and the homes of Monolithic's four employees in the Western District do not constitute Monolithic's "regular and established place of business." 28 U.S.C. § 1400(b). Indeed, we held venue to be improper under materially similar circumstances in *In re Cray Inc.*, 871 F.3d 1355 (Fed. Cir. 2017) and *Celgene Corp. v. Mylan Pharms. Inc.*, 17 F.4th 1111 (Fed. Cir. 2021). As in those cases, the facts here "merely show that there exists within the district a physical location where . . . employee[s] of the defendant carr[y] on certain work for [their] employer," which is insufficient under § 1400(b). *Cray*, 871 F.3d at 1366.

Most basically, Monolithic lacks a regular and established place of business in the Western District of Texas, as the statute requires in order for it to be sued there. All else

in this case relates to the not-infrequent attempt to skirt around the statute to sue out-of-state defendants. And, in my view, we should not stand back and let the requirements of the statute be eroded by the details of what an employee stores in his or her home, even if the legal issue on appeal relates to the demanding requirements of mandamus. Reviewability on appeal does not provide adequate remedy for mistaken denials of mandamus, as the judicial system should not be stressed by having cases tried in venues not permitted by statute, and then retried as they should have been in a proper venue. Finally, our mention of "ratification" in *Cray* of an employee's home as a defendant's regular and established place of business, in the interest of completeness, was not meant to be a leaky sieve to accommodate avoidance of the basic requirements of the statute.

Regarding specifics, which of course are what any case rests on, Monolithic does not own, lease, or exercise control over any portion of the homes of the employees; does not require these four employees to (continue to) reside in the Western District of Texas as a condition of their employment; and does not list or advertise their homes as places of business. For those reasons, we held that the defendants in *Cray* and *Celgene* did not "establish or ratify" the in-district homes of their employees as defendants' place of business. *Celgene*, 17 F.4th at 1122 (quoting *Cray*, 871 F.3d at 1363). The fact that the defendants in *Celgene* posted ads asking job candidates to live in, or within reasonable driving distance of, the district and that some employees rented lockers to store product samples in the district were insufficient to establish venue. 17 F.4th at 1123–24.

The circumstances of job advertisement and storage of product and equipment relied on by the district court for finding venue here are not meaningfully distinguishable from those in *Celgene*. In *Celgene*, we found significant that there was "no requirement [that the employee] actually live in" the district and no "restriction on moving out

of state once there." *Id.* at 1123. The same is true in this case. *Celgene* also rejected relying on the storage of product samples where there was "no evidence that [either defendant] requires its employees to store materials anywhere in" the district, no evidence that storing the product was "anything but the employees' choice," and no evidence that the defendant controlled or possessed where and how the product was stored. *Id.* at 1124. The reasons for finding venue to be improper in *Celgene* apply equally here, even though this case also involves laboratory equipment. As with the defendants in *Celgene*, there is no evidence that Monolithic requires Mr. Bone or other employees to maintain equipment at their houses in the Western District of Texas.

The district court further erred by not considering "the nature and activity of the alleged place of business of the defendant in the district *in comparison with* that of other places of business of the defendant in other venues." *Cray*, 871 F.3d at 1364. In contrast to the handful of employees in the Western District of Texas at issue here who work from home, Monolithic maintains three regional headquarters in other venues. Pet. at 16 (citing Appx693). This clearly does not reflect "a business model" of using employees' homes as a place of business that we indicated in *Cray*, 871 F.3d at 1364 n.*, might support venue.

I appreciate the majority's concern over addressing this issue on mandamus, given Monolithic's ability to reraise its challenge after final judgment. However, consistent with the use of mandamus to ensure "proper judicial administration," *La Buy v. Howes Leather Co.*, 352 U.S. 249, 259–60 (1957); *In re Micron Tech., Inc.*, 875 F.3d 1091 (Fed. Cir. 2017), I believe the majority here erred in finding that immediate review is unwarranted. The district court's erroneous ruling threatens to bring confusion to the law relating to where a patent infringement suit can properly be brought based on the location of employee homes and to erode the clear statutory requirement of a regular and established place of business. Given the increased

prevalence of remote work, I think immediate review by way of mandamus would be important to maintain uniformity of the court's clear precedent.

For those reasons, I respectfully dissent.

CERTIFICATE OF COMPLIANCE

I hereby certify that this petition complies with the type-volume limitation of Fed. Rule of Appellate Procedure 35(b)(2) because it contains 3,879 words excluding the parts exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b)(2).

This petition complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared in a proportionally spaced typeface using Microsoft Word 2022 in 14-point Times New Roman font.

Dated: November 30, 2022 /s/ Deanne E. Maynard

CERTIFICATE OF SERVICE

I hereby certify that on November 30, 2022, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit and that counsel of record will be served using the appellate CM/ECF system.

Additionally, on this 30th day of November, 2022, I caused a copy of the foregoing to be served via overnight delivery to the U.S. District Judge:

The Honorable Alan D. Albright
800 Franklin Avenue, Room 301
Waco, Texas 76701
Telephone: (254) 750-1510

Dated: November 30, 2022

/s/ Deanne E. Maynard
Deanne E. Maynard

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