United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510–6275

VIA ELECTRONIC TRANSMISSION

November 2, 2021

Mr. Andrew Hirshfeld
Commissioner for Patents
Performing the Functions and Duties of the
Under Secretary of Commerce for Intellectual Property and
Director
U.S. Patent and Trademark Office
600 Dulany St.
Alexandria, VA 22314

Dear Acting Director Hirshfeld:

I write you today regarding the Patent Trial and Appeal Board's ("PTAB") application of the precedential decision in *Apple Inc. v. Fintiv, Inc.*[1] While I strongly believe in the policies and utility of *Fintiv*, I am concerned about how its current application is impacting patent litigation in a single federal judicial district.

As you know, *Fintiv* instructs the PTAB not to institute an Inter Partes Review ("IPR") procedure to challenge a patent's validity if the panel deems it to be more efficient to allow parallel district court litigation to proceed based on a balancing test comprising six non-dispositive factors. Again, while I strongly support the policies underlying *Fintiv*, my concern relates to the PTAB's application of the second of these factors: the proximity of the court's trial date to the PTAB's projected statutory deadline for a final written decision. Specifically, I am concerned that the PTAB's historical practice of crediting unrealistic trial schedules. This has not only produced outcomes that are untethered from the policy underpinnings of the *Fintiv* rule, but it has also created harmful incentives for forum shopping and inappropriate judicial behavior.

The negative consequences are most pronounced in the Waco Division of the U.S. District Court for the Western District of Texas. The sole judge in that division schedules very early trial dates for all patent cases assigned to him. Often, these dates prove to be not just unrealistic, but they impossible to fulfill as multiple conflicting trials are frequently scheduled to occur on the same date before the same judge in the same courtroom. However, because PTAB panels interpret *Fintiv* to require *scheduled* trial dates to be taken at face value, panels have regularly exercised discretion to deny institution of IPRs in deference to litigation pending before that district.

To be clear, I believe judicial conduct is partly to blame for this situation. Once a case has been filed in the Waco Division, many defendants have found it all but impossible to persuade the

[1] IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (designated precedential on May 5, 2020).

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division's sole judge to transfer the case to a more appropriate venue. In denying such transfers, the court has repeatedly ignored binding case law and abused his discretion.[2] This misconduct has resulted in a flood of mandamus petitions being filed at the Federal Circuit. The Federal Circuit has been compelled to correct his clear and egregious abuses of discretion by granting mandamus relief and ordering the transfer of cases no fewer than 15 times in just the past two years.[3]

Notably, in granting these petitions, the Federal Circuit has cast grave doubt on the reliability of the Waco Division's trial schedules and claims regarding efficiency of adjudication. The appellate court has strongly criticized the division's improper reliance on purportedly greater "congestion" in transferee courts in attempting to justify inappropriate denials of transfers under 28 U.S.C. § 1404(a). More specifically, the Federal Circuit has refused to credit the division's overly optimistic assumptions regarding the time-to-trial in cases, admonishing the division's judge that a "proper analysis" considers "the actual average time to trial *rather than aggressively scheduled trial dates.*"[4] Moreover, the circuit court has also implicitly questioned whether even a more accurate "proper analysis" based on precise caseload counts and the accurate time-to-trial statistics produces a reliable assessment of relative court congestion, characterizing this analysis as mere "speculation."[5]

These unreliable and "aggressively scheduled trial dates" are the same ones that are relied on by PTAB panels in applying *Fintiv*. Despite the Federal Circuit's conclusion that these dates are not appropriate indicators of actual time-to-trial and that it is not "proper" to rely on them for purposes of making transfer determinations, PTAB panels have generally continued to rely on these dates and to treat them as credible predictors of time-to-trial for purposes of the *Fintiv*

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[2] *See, e.g., In re: SK Hynix, Inc.,* No. 2021-113 at 2 (Fed. Cir. Feb. 1, 2021) (characterizing the Waco Division's refusal to decide a transfer motion in a timely manner as "amount[ing] to egregious delay and blatant disregard for precedent").

[3] *See In re DISH Network, LLC, No. 2021-182* (Fed. Cir. Oct. 21, 2021); *In re NetScout Sys., Inc.*, No. 2021-173, 2021 WL 4771756 (Fed. Cir. Oct. 13, 2021); *In re Pandora Media, LLC*, No. 2021-172, 2021 WL 4772805 (Fed. Cir. Oct. 13, 2021); *In re Google LLC*, No. 2021-171, 2021 WL 4592280 (Fed. Cir. Oct. 6, 2021); *In re Juniper Networks, Inc.*, No. 2021-156, 2021 WL 4519889 (Fed. Cir. Oct. 4, 2021); *In re Apple*, No. 2021-187, 2021 WL 4485016 (Fed. Cir. Oct. 1, 2021); *In re Google LLC*, No. 2021-170, 2021 WL 4427899 (Fed. Cir. Sep. 27, 2021); *In re Juniper Networks*, No. 2021-160, 2021 WL 4343309 (Fed. Cir. Sep. 24, 2021); *In re Hulu, LLC*, No. 2021-142, 2021 WL 3278194 (Fed. Cir. Aug. 2, 2021); *In re Uber Techs., Inc.*, 852 F.App'x 542 (Fed. Cir. 2021); *In re Samsung Elecs. Co., Ltd.*, 2 F.4th 1371 (Fed. Cir. 2021); *In re TracFone Wireless, Inc.*, 852 F.App'x 537 (Fed. Cir. 2021); *In re Apple Inc.*, 979 F.3d 1332 (Fed. Cir. 2020); *In re Nitro Fluids LLLC*, 978 F.3d 1308 (Fed. Cir. 2020); *In re Adobe Inc.*, 823 F.App'x 929 (Fed. Cir. 2020).

[4] *In re Juniper Networks, Inc.*, No. 2021-156, 2021 WL 4519889 (Fed. Cir. Oct. 4, 2021) (citing *in re Juniper*, 2021 WL 4343309, at *6) (emphasis added).

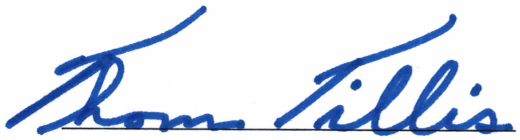
[5] *In re Google LLC*, No. 2021-170, 2021 WL 4427899 at 15 (Fed. Cir. Sep. 27, 2021) (holding that "the district court's speculation about what might happen with regard to the speed of adjudication is plainly insufficient to warrant keeping this case in the Texas forum"); *see also id.* at 14 ("Where, as here, the district court has relied on median time-to-trial statistics to support its conclusion as to court congestion, we have characterized this factor as the 'most speculative' of the factors bearing on the transfer decision.") (internal citations omitted); *In re Juniper Networks* at 7 (characterizing court congestion as the "most speculative" of the transfer factors) (quoting *In re Genentech, Inc.*, 566 F.3d 1338, 1347 (Fed. Cir. 2009)).

analysis.[6] While I strongly support the policy and principles underlying *Fintiv*, this particular practice seems wrong.

Based on the facts currently available to me, it is difficult to imagine any plausible justification for the continued reliance on the demonstrably inaccurate trial dates set by the Waco Division. I therefore ask that you undertake a study and review of this matter and consider whether *Fintiv* should be modified to account for unrealistic trial scheduling. I ask that you complete this review and implement appropriate reforms based on your findings by no later than December 31, 2021.

Thank you for your prompt attention to this matter. I look forward to your reply. If you have any questions, please do not hesitate to contact me.

Sincerely,



Thom Tillis
Ranking Member
Subcommittee on Intellectual Property

[6] Despite the unreliability of scheduled trial dates, PTAB panels nevertheless "usually take courts' trial schedules at face value." *Quest Diagnostics Incorporated v. Ravgen, Inc.*, IPR2021-00788, Paper 23 at 31 (PTAB October 19, 2021).

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