



FOR IMMEDIATE RELEASE

December 14, 2016

Media Contact: Derek Dye | ddye@wlf.org | 202-588-0302

In Victory for WLF, Supreme Court Agrees to Review Decision Allowing Forum Shopping in Patent Cases

(TC Heartland LLC v. Kraft Foods Group Brands LLC)

“The Supreme Court can put a stop to forum shopping by properly enforcing rules governing patent venue and personal jurisdiction in this case.”
—Richard Samp, WLF Chief Litigation Counsel

WASHINGTON, DC—The U.S. Supreme Court this afternoon agreed to review a Federal Circuit decision in *TC Heartland v. Kraft Foods* that construes federal venue statutes so broadly that many nationwide businesses would be subject to suit in virtually any federal district court. The Court’s order was a victory for Washington Legal Foundation, which filed a brief urging the Court to grant review and overturn the decision below. WLF argued that the appeals court’s decision essentially ignores the Supreme Court’s longstanding recognition of strict statutory limits on venue in patent cases. It raises serious due process concerns and encourages rampant forum shopping by “patent trolls,” entities that file numerous, inappropriate patent-infringement cases. The Supreme Court will likely hear oral argument in the case in March 2017.

Twenty years ago, the Federal Circuit adopted rules that permit patent owners to file suit in virtually any federal district court in the country. As a result, patent trolls that buy up old patents for the purpose of extorting licensing fees via nuisance lawsuits (rather than using the patented invention) have gravitated to the few districts where they receive a friendly hearing.

WLF’s brief argued that rules governing venue and personal jurisdiction generally require a patent owner to file a patent-infringement lawsuit in a state where infringement has occurred and in which the alleged infringer maintains a regular and established place of business. WLF urged the Court to overturn Federal Circuit precedents that have created this forum-shopping problem. Its brief contended those precedents are relics of an era when federal courts were less willing to enforce constitutional limits on courts’ exercise of general jurisdiction over nonresident defendants.

Upon learning of the cert. grant, WLF issued this statement by Chief Counsel Richard Samp: “By ignoring venue restrictions, courts like the Eastern District of Texas have turned into havens for patent trolls. Forty percent of all patent-infringement suits were filed there last year. The Supreme Court can put a stop to forum shopping by properly enforcing rules governing patent venue and personal jurisdiction in this case.”

WLF is a national, public-interest law firm and policy center that seeks to ensure that excessive or abusive litigation does not trample property rights or otherwise impede economic liberty.

###