

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

OMEGA PATENTS, LLC,

Plaintiff,

v.

Case No: 6:13-cv-1950-Orl-40DCI

CALAMP CORP.,

Defendant.

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ORDER

This cause is before the Court on Defendant CalAmp's Motion to Vacate the Judgment and Dismiss for Lack of Venue, (Doc. 222), and Plaintiff Omega's Response in Opposition. (Doc. 225). The issues before this Court are as follows: (1) what is the operative time in the litigation for assessing venue, (2) whether pendent venue existed over the patents-in-suit, (3) whether Defendant has waived their objection to venue being proper in the Middle District of Florida, Orlando Division, and (4) whether the holding of the United States Supreme Court in *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 137 S. Ct. 1514 (2017), constitutes an intervening change in the law such that it is an extraordinary circumstance that justifies relief under Fed. R. Civ. P. 60(b)(6). Upon due consideration, the Court finds the Defendant has consented to venue being proper in this district as relates to the '989 patent and that pendent venue existed for the remaining patents-in-suit. The Court further finds the Defendant waived any objection to the exercise of pendent venue, and that the holding in *TC Heartland* does not express an intervening change in the law. Accordingly, the Defendant's Motion to Vacate Judgement and Dismiss for Lack of Venue is denied.

I. BACKGROUND

Omega brought the instant action against CalAmp on December 20, 2013, claiming that CalAmp infringed the claims of U.S. Patent No. 6,346,876 (“the ‘876 Patent”), U.S. Patent No. 6,737,989, U.S. Patent No. 6,756,885 (“the ‘885 Patent”), U.S. Patent No. 7,671,727 (“the ‘727 Patent”), and U.S. Patent No. 8,032,278 (“the ‘278 Patent”) (collectively, the “patents-in-suit”). (Doc. 1). Omega attached to its Complaint a Settlement Agreement entered into between Omega and CalAmp on June 9, 2010, which contains the following agreement:

Defendant agrees that if Plaintiff files suit against it in the future for infringement of one or more of the U.S. Letters Patent No . . . ’868, . . . 561, . . . ’989, . . . ’187, . . . ’355, . . . ’623 Or ’244 in the U.S. District Court for the Middle District of Florida, Orlando Division, that Defendant will not move to dismiss such suit based on lack of personal jurisdiction, improper venue or forum non conveniens; Defendants expressly consent to jurisdiction and venue in this District...”

(Doc. 1-2).

CalAmp did not file a motion to dismiss the Complaint on the basis of venue being improper in this district and instead answered the lawsuit. In their Answer, CalAmp “[admitted] that venue is proper in this forum with respect to the claims relating to . . . ’989. Except as expressly admitted, CalAmp denies all other allegations contained in Paragraph 5.”¹ (Doc. 10, ¶ 5). Moreover, CalAmp filed a counter-claim wherein they seek declaratory judgment “of non-infringement, invalidity and unenforceability of a patent

¹ In their Answer CalAmp admits they consented to venue in this district as to the ‘989 patent and avers that they have not consented to venue regarding any of the other patents-in-suit. (Doc. 10, ¶4). However, CalAmp did not move to sever the other patents-in-suit from the ‘989 patent, nor did they object to pendent venue being exercised by this Court.

arising under the Declaratory Judgment Act”² (*Id.* at p. 6). On the issue of venue, CalAmp conceded that “[v]enue is proper in this forum pursuant to 28 U.S.C. §§ 1391(b) and the applicable law of this Court.” (*Id.* at p. 7, ¶ 5).

The case proceeded to trial on February 16, 2016, and prior to opening statements counsel for Omega announced the following: “Judge, before we get the jury in—and, Joel (counsel for CalAmp), jump in, if you want—**between the parties**, we’ve agreed to try and streamline the case. So for the Court’s edification, we are no longer pursuing the ‘989 patent.” (Doc. 178, p. 3:5–9) (emphasis added). At no time following this announcement did CalAmp argue that venue was no longer proper as relates to the remaining patents-in-suit. The trial went forward and the parties litigated the validity of the patents-in-suit for seven (7) days. (Doc. 178-184). The jury returned a verdict in favor of Plaintiff and against Defendant on each of the patents-in-suit. (Doc. 144). Final Judgment was entered by the Court on April 24, 2017, (Doc. 211), and an Amended Final Judgment was entered on July 19, 2017. (Doc. 227).

CalAmp now argues that, notwithstanding its concession that venue was proper in this Court over Plaintiff’s infringement claim relative to the ‘989 Patent and despite its failure to object to pendent venue, the judgment should be vacated and the case should be transferred for new trial in the U.S. District Court for the Central District of California.

II. STANDARD

“Venue must be determined based on the facts at the time of filing.” *Lewis v. Pension Ben. Guar. Corp.*, No. 14-Cv-03838, 2015 WL 5577377 (N.D. Ga. Aug. 11, 2015) (quoting *Flowers Indus., Inc. v. F.T.C.*, 835 F.2d 775, 778 n.1 (11th Cir. 1987) (holding

² CalAmp sought declaratory judgement as to all of the patents-in-suit and not just the ‘989 patent.

that plaintiff was in the process of changing its incorporation to Georgia while the case was pending is not relevant, because “venue must be determined based on the facts at the time of filing”). Where a complaint sets forth multiple claims, venue must be established for each claim and each defendant. *Vivant Pharms., LLC v. Clinical Formula, LLC*, No. 10–21537–Civ., 2011 WL 1303218 (S.D. Fla. Mar. 31, 2011) (citing *Hoover Group, Inc. v. Custom Metalcraft, Inc.*, 84 F.3d 1408, 1410 (Fed. Cir. 1996). However, where all claims arise out of a common nucleus of operative facts, venue may be proper for the entire proceeding under pendent venue. *Id.* (citing *Rodriguez v. Chandler*, 641 F. Supp. 1292, 1302 (S.D.N.Y. 1986), *aff’d* 841 F.2d 1117 (2d Cir. 1988)).³

As to the impact of *TC Heartland*, a defense is unavailable “if its legal basis did not exist at the time of the answer or pre-answer motion” such that it was “for all practical purposes impossible for the defendant to interpose their . . . defense.” *Reebok Int’l LTD. v. TRB Acquisitions LLC*, 2017 WL 3016034 (D. Or. July 14, 2017) (citing *Gilmore v. Palestinian Interim Self-Gov’t Aut.*, 8 F. Supp. 3d 9, 13 (D.D.C. 2014), *aff’d*, 843 F.3d 958 (D.C. Cir. 2016)). An “intervening change in the law can constitute an ‘extraordinary circumstance’ that justifies relief under Rule 60(b)(6). *Ritter v. Smith*, 811 F.2d 1398, 1401 (11th Cir. 1987).

³See also, *Beattie v. United States*, 756 F.2d 91 (D.C.Cir.1984) (court exercised pendent venue over improperly venued counts because of common identity of parties and proof); *Reuber v. U.S.*, 750 F.2d 1039 (D.C.Cir.1984) (court applied pendent venue theory because of existence of common facts, common issues of proof and common witnesses demonstrating nexus between various counts); *Jackson v. MCI Telecomms Corp.*, No. 92–2503–GTV, 1993 WL 408332 (D.Kan.1993) (court heard plaintiff’s claims under pendent venue theory after considering relatedness of claims, effect on judicial economy, convenience of the parties, and identity of damages); *Dooley v. United Techs Corp.*, 786 F. Supp. 65 (D.D.C.1992) (court exercised pendent venue over all of plaintiff’s claims after finding they arose out of same common nucleus of facts); *Christian Dalloz, S.A. v. Holden*, No. 90–0835, 1990 WL 121342 (E.D.Pa.1990) (pendent venue applied when parties and proof are identical, which factors were evidence of common nucleus of operative fact).

III. DISCUSSION

A. Venue is Determined at the time of Filing

CalAmp ignores in their analysis of the venue issue the principle that “venue must be determined based on the facts at the time of filing.” *Flowers Indus., Inc.*, 835 F.2d at 778. Instead, CalAmp skips ahead to the United States Supreme Court’s holding in *TC Heartland*, and advocates that venue was improper once Omega elected not to move forward on the ‘989 patent. This logic is flawed for the simple reason that venue must be determined at the time the action is filed and not at some future date in the proceedings.

Here venue was clearly proper based upon the facts at the time of filing. Omega commenced suit against CalAmp for their infringement of a number of patents-in-suit, including the ‘989 patent. (Doc. 1). CalAmp previously entered into a settlement agreement with Omega in which CalAmp “expressly consent[ed] to jurisdiction and venue in this District” as to the ‘989 patent. (Doc. 10, ¶ 4). Hence, venue was proper as to the ‘989 patent based upon the facts at the time the Complaint was filed. CalAmp cites no authority for the proposition that venue became improper once Omega elected not to proceed on the ‘989 patent, because to do so would be contrary to the law of this Circuit.⁴ This leaves only one question: did the Court properly exercise pendent venue over the other patents-in-suit?

The Court notes that CalAmp never moved to sever the ‘989 patent—which is the patent supporting stipulated venue in this district—from the other patents-in-suit. That is, if the infringement of the ‘989 patent would not be determined by common issues of proof, common issues of fact, and witnesses common to all of the patents-in-suit, CalAmp

⁴ It is troubling, however, that CalAmp failed to cite controlling Eleventh Circuit law which was their duty to this Court.

should have moved to sever the remaining patents-in-issue from the '989 patent in order to preserve their objection to venue. Having stipulated to venue being proper in this district as relates to the infringement of the '989 patent, and knowing that venue is determined by the facts at the time the litigation is commenced, CalAmp should have known that pendent venue would render venue proper as to the remaining patents-in-suit if the infringement claim relating to the patents-in-suit arose from a common nucleus of fact. The Court concludes that CalAmp did not move to sever the other patents-in-suit from the '989 patent, because they recognized the common issues of fact and law, and the commonality of witnesses and exhibits, applicable to all of the patents-in-suit. That is, CalAmp appreciated, notwithstanding their objection, that pendent venue existed in this case, as will be demonstrated below.

B. Pendent Venue was Proper

The Complaint sets forth a single count of infringement of “the patents-in-suit” by the sale of a product identified as the LMU-3000.⁵ (Doc. 1, ¶¶ 11-16). The patents-in-suit all pertain to various components of the infringing devices. For example, the '876 and '885 patents pertain to the data communications bus. (Doc. 39, p. 11). The '727 patent applies to the vehicle data communications bus, and the '278 patent describe the vehicle data bus. (*Id.*). CalAmp in their claim construction brief—filed before Omega elected not to pursue the '989 patent—observed that “[t]he patents-in-suit use several similar terms to describe a vehicle’s data communications bus. All are intended to have the same meaning, and thus should be given the same construction.” (*Id.*). CalAmp’s claim construction brief identifies the patents-in-suit, including the '989 patent, as all being

⁵ The offending products are the LMU-3000, LMU-3030, LMU-3050, VPOD and VPOD2. (Doc. 144).

“based on continuations-in-part (“CIPs”) of earlier applications. (*Id.* at p. 1). Omega claimed the infringing product(s) infringed claims 1, 3–5, 12, 14, 16, 28, 34–36 and 41 of the ‘876 patent, claims 23, 31, 32, 34 and 35 of the ‘989 patent, claims 1-3, 12, 14, and 24 of the ‘885 patent, claims 1, 10, 11, 19 and 25 of the ‘727 patent, and claims 1–6, 8, 11–14, 16, 18, 19 and 21 of the ‘278 patent. (*Id.* at p. 8). It is beyond dispute that all of the patents-in-suit involve a common nucleus of fact such that pendent venue was proper over the patents-in-suit. Since venue is determined at the time of filing, it is irrelevant that Omega elected on the first day of trial not to pursue the ‘989 infringement claims. CalAmp cites no authority supporting a contrary conclusion.

To put a finer point on this issue: even assuming the holding in *TC Heartland* constitutes an intervening change in the law, it is of no benefit to the Defendant. Clearly, the Supreme Court held in *TC Heartland* that is prior decision in *Fourco Glass Co. v. Transmirra Products Corp.*, 353 U.S. 222, 226 (1957), correctly defined venue for purposes of § 1400(b), overturning the contrary holding in *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1578 (1990). *TC Heartland*, 137 S. Ct. at 1521. However, the holding in *TC Heartland* has no effect in the instant case, because venue was proper as to the ‘989 patent and as to the remaining patents-in-suit under the doctrine of pendent venue. The Supreme Court in *TC Heartland* established how venue is to be determined in these actions in the absence of a stipulation to venue accompanied by pendent venue.

While this Court need not address whether *TC Heartland* meets the intervening law exception to waiver to resolve the Defendant’s motion, the Court will express its thoughts on the subject to allow for a more comprehensive review of the Court’s analysis

on appeal. In rejecting the conclusion reached in *VE Holdings*, the Supreme Court noted that in amending § 1391(c) in 1988 and 2011, Congress did not indicate an intention to “alter the meaning of § 1400(b) as interpreted in *Fourco*.” *TC Heartland*, 137 S. Ct. at 1519. The Supreme Court decided *Fourco* in 1957, and respectfully this Court observes, as other Courts have, that the Federal Circuit cannot overturn Supreme Court precedent. *See Reebok Int’l LTD. v. TRB Acquisitions LLC*, No. 3:16–cv–1618–SI, 2017 WL 3016034 (D. Or. July 14, 2017) (quoting *Elbit Sys. Land & C41 Ltd. v. Hughes Network Sys., LLC*, No. 2:15-CV-00037-RWS-RSP, 2017 WL 2651618, at * 20 (E.D. Tex. June 20, 2017); *see also Cobalt Boats, LLC v. Sea Ray Boats, Inc.*, No. 2:15cv21, 2017 WL 2556679, at * 3 (E.D. Va. June 7, 2017) (noting that “*Fourco* has continued to be binding law since it was decided in 1957, and thus, it has been available to every defendant since 1957”). Accordingly, CalAmp cannot take advantage of the intervening law exception to waiver of venue.

IV. CONCLUSION

The parties stipulated to venue in this judicial district for any litigation brought by Omega to enforce the ‘989 patent. At the time Omega instituted this litigation, venue was proper—pursuant to the Settlement Agreement—as to the infringement of the ‘989 patent. Contemporaneous with their action to enforce the ‘989 patent, Omega sought to enforce additional patents which “were based on continuations-in-part (“CIPs”) of earlier applications.” The patents-in-suit were infringed by CalAmp products and the issues, facts and evidence involved a common nucleus, which is no doubt why CalAmp did not seek to sever the other patents-in-suit from the ‘989 patent. Accordingly, pendent venue existed over the other patents-in-suit, and the pendent venue was not lost when Omega

elected not to pursue infringement claims as to the '989 patent. To find otherwise would run contrary to the express holding of this Circuit announced in *Flowers Industries, Inc. v. F.T.C.* Moreover, allowing a party to defeat venue after the litigation is commenced by, for example, moving their corporation out of the state invites gamesmanship. Which is precisely why venue is determined by facts at the time of filing and not some other point in the litigation.

Accordingly it is hereby **ORDERED AND ADJUDGED** that CalAmp's Motion to Vacate the Judgment and Dismiss for Lack of Venue (Doc. 222) is **DENIED**.

DONE AND ORDERED in Orlando, Florida, on September 22, 2017.


PAUL G. BYRON
UNITED STATES DISTRICT JUDGE

Copies furnished to:

Counsel of Record
Unrepresented Parties