

Patent Venue Is Proper Where a Parent Company Defendant “Ratifies” Its Non-Party Subsidiary’s Regular Place of Business in the Forum District

Thursday, May 31, 2018

In another interesting development in our ongoing coverage of the application of the *TC Heartland* patent venue standard by lower courts, the District Court for the Western District of Texas [recently determined](#) that when a parent company ratifies its subsidiary company’s place of business, it can be considered a “regular place of business” for purposes of establishing proper venue. In *Board of Regents, The University of Texas System, and Tissugen, Inc. v. Medtronic PLC, Medtronic, Inc., and Tyrx, Inc.*, Cause No. A-17-CV-0942-LY (May 17, 2018 W.D. TX), it was undisputed that neither defendant was incorporated in the Western District of Texas. As such, the Court looked to whether either business maintained a regular and established business within the district, and concluded that Medtronic did.

Medtronic argued that it does not lease or own any locations in the district. However, its subsidiary, MiniMed, operates a 431,000 sq. ft. facility in San Antonio, Texas, employing approximately 1,000 workers. Further, in 2009, Medtronic publicly announced the establishment of the MiniMed San Antonio location, and Medtronic later identified this location as the home of its new “Diabetes Therapy Management and Education Center.” In addition, Medtronic lists the San Antonio facility as a place of business on its website, in telephone and web-based directories, and has its name on a large sign on the building.

On these facts, the Court found that Medtronic “ratified” the place of business of its subsidiary as a regular and established place of business in the district. Accordingly, the court determined that venue was proper for Medtronic. Practitioners should take note that public linkages of this sort between a parent company and its subsidiary—even where such outward connections may be beneficial from a business perspective—may expose the parent to venue in potentially unfavorable districts where the parent might not otherwise be subject to patent venue.

© 1994-2019 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. All Rights Reserved.

Source URL: <https://www.natlawreview.com/article/patent-venue-proper-where-parent-company-defendant-ratifies-its-non-party-subsidiary>



Article By [Anthony E. Faillaci](#)
[Andrew H. DeVoogd](#)
[Mintz Global IP Matters Blog](#)

[Intellectual Property](#)
[Litigation / Trial Practice](#)
[5th Circuit \(incl. bankruptcy\)](#)