SideBAR

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Message from the Chair

I would like to welcome all of you as I begin my two-year term as Chair of the Federal Litigation Section (FLS). I have been an FLS member and leader for years now and had the joy during this time of helping the Section serve members across the country. We have been especially lucky in FLS to have Nicole Newlon lead us as Chair for the past two years, and I would like to personally thank Nicole again for her service and leadership. FLS continued to grow and become more vibrant than ever under Nicole's leadership, and we all could not be more grateful.

I look forward to working with our thousands of FLS members nationwide in the next two years to plan Webinars and other programming of interest to our members, provide networking opportunities, and promote the professional development of federal practitioners and the missions of FLS and the Federal Bar Association. With the invaluable help of the FLS Board and planning committee, we also look forward to re-launching a National Federal Litigation Conference in late 2023 or early 2024, so please stay tuned for more news on this!

The depth and breadth of FLS is without measure. Our members span the gamut of federal practice – from small to large law firms, to government practice, corporations and organizations, and members of the judiciary. FLS will continue to work diligently to provide relevant educational content and opportunities for our diverse membership in the coming years. We also are always interested in collaborating with other Sections, Divisions, and Chapters to create and assist with programming for FBA members at large – especially when programming and opportunities are also of interest to FLS members. If you have an idea for an event or program and need financial or other support from the Section, please complete the forms available on the FBA's website and FLS Section page, or reach out to me directly.

Lastly, as I embark on this new term, I want to thank the incredible FLS Board and committee members. Everyone in the practice of law is busy and time is most of our greatest resource, so I am humbled and grateful every day for the extraordinary men and women who spend their time serving this Section and the FBA. We could not do anything that FLS does without this entire team working together, including putting together this award-winning newsletter.

I want to thank you for being a member of the Federal Litigation Section. If our Board can be of any assistance to your Chapter, Section, or Division, or if you have any questions, please do not hesitate to reach out to me directly at amarconi@fennemorelaw.com.

About the Chair • *Andrea Marconi is Chair of the Federal Litigation Section of the FBA. She is Vice-Chair of Business Litigation and a Director at Fennemore Craig, P.C. in Phoenix, Arizona, where she practices in commercial and complex litigation. Andrea has served as President of the Phoenix Chapter of the FBA, member of the FBA's Sections and Divisions Council, and previously served as Vice Chair and Secretary-Treasurer of the Federal Litigation Section. Andrea can be reached at amarconi@fennemorelaw.com or at (602) 916-5335.*

Inside this Issue

Welcome to our 2023 Winter edition of SideBAR!

As Editor, my goal is to solicit and publish articles that are of interest to federal litigators across the U.S. As always, *SideBAR* will continue to keep our members informed of the latest news and events from the FBA Federal Litigation Section. I also plan to continue to highlight the many events and other opportunities for members to become more involved with our Section and the FBA generally. This edition highlights our Section's upcoming Webinar, "Tips for Building a Successful Federal Practice" (Wednesday, February 22, 2023 at 2 pm ET). Thank you to FLS member Renai Rodney for organizing this webinar. I hope that you will take advantage of this great learning opportunity that is free for FBA members!

I look forward to continuing to working with our members to share their unique articles with our readers. Please send me any ideas that you have for submission for our next edition of *SideBAR*!

Gratefully,

Brian Green

About the Editor • *Brian Green operates the Law Office of Brian Green in Littleton, Colorado. He graduated from Washington and Jefferson College and Case Western Reserve University's School of Law. His practice focuses on federal litigation relating to U.S. immigration benefits. Brian can be reached at* briangreen@greenUSimmigration.com *or 443-799-4225.*

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Treasurer's Report January 2023

I am honored to serve as the Secretary and Treasurer of the Federal Litigation Section. As a commercial litigator with Johnson, Cassidy, Newlon, & DeCort, P.A. who frequently practices in federal courts, the Federal Litigation Section has been a great asset to me, and I appreciate the opportunity to give back to our organization. Having recently completed my term as the Section's Newsletter Editor, I will continue to serve our Section and its members in this new role. My transition into this new position has been seamless thanks the great work of our previous Secretary and Treasurer, Judge Suzanne Segal.

I am happy to provide my first Treasurer's Report in this edition of *SideBAR*. As of September 30, 2022, the Federal Litigation Section had year-to-date revenues of $41,121 consisting of dues payments from our members. The Section's year-to-date expenses were $87,283, consisting of credit card/bank fees, travel/transportation, meals, and miscellaneous expenses. Due to the new FBA membership cycle that changed to an effective term of October 1 to September 30, we expect revenues from additional due payments to be shown on the next quarterly report to reflect the members who renewed their FBA and Section memberships after September 30. The total fund balance for our Section as of September 30, 2022 was $98,394.

I look forward to a great year ahead for the Federal Litigation Section. Johnson, Cassidy, Newlon & DeCort, P.A. in Tampa, FL.

About the Secretary/Treasurer • *Jeff Burns is a partner at Johnson, Cassidy, Newlon & DeCort, P.A. in Tampa, FL. His practice focuses on commercial litigation and other complex civil matters. Jeff can be reached at* jburns@jclaw.com *or 813-699-4833.*

Federal Litigation Section News

Tips for Building a Successful Federal Practice

Wednesday, February 22, 2023 at 2pm ET

Are you a newer attorney exploring various career paths? Are you an experienced attorney seeking to expand your practice into federal court? Are you interested in hearing from accomplished attorneys with an active federal practice? The FBA's Federal Litigation Section is pleased to invite you to the webinar "Tips for Building a Successful Federal Practice." This virtual, 60-minute CLE program will feature a panel of dynamic attorneys experienced in criminal law, commercial litigation, and immigration law. The panelists will share their insights on gaining federal litigation experience, identifying entry points into federal practice, and dispelling misconceptions about federal court. This webinar is geared toward attorneys who want to enter, or increase their federal practice.

Moderator:

Renai Rodney, Counsel, Ropes & Gray (Chicago, Illinois) and Co-Chair of the FBA's Federal Litigation Section's Programming Committee

Renai Rodney is counsel in Ropes & Gray's litigation & enforcement practice group. Clients benefit from her perspective as a former federal prosecutor, as well as her extensive investigative and trial skills.

During her nearly 12 years as Assistant U.S. Attorney in the Northern District of Illinois, Renai investigated and prosecuted cases involving a wide range of criminal conduct, including health care fraud, financial crimes and human trafficking. She prevailed in 11 jury trials and three bench trials, and successfully argued and defended nine cases before the U.S. Court of Appeals for the Seventh Circuit.

Renai' s government experience also includes serving as First Assistant Corporation Counsel in the City of Chicago's law department. In this role, she advised on strategic approaches to highprofile litigation and complex transactional matters, as well as on their resolution. She also advised on the development and implementation of legal policies and procedures, and coordinated legal strategy with numerous city, county and federal agencies and legal organizations.

Since 2012, Renai has served as an adjunct professor at Northwestern Pritzker School of Law, teaching "Introduction to Trial Advocacy." She has also taught "International Criminal Law in U.S. Courts" and the "Civil Government Practicum." Her teaching experience also includes traveling to Tanzania to conduct an intensive training on trial advocacy techniques and anticorruption practices for local magistrate judges and lawyers.

Speakers:

Kalia Coleman, Partner, Riley Safer Holmes & Cancila (Chicago, Illinois)

Former federal prosecutor Kalia Coleman is an experienced investigator and trial lawyer who represents clients in white collar and corporate investigations and commercial dispute litigation. During her six-year tenure as a federal prosecutor, she led complex and high-stakes criminal investigations involving a broad range of issues, including public corruption, extortion, mortgage fraud, mail, wire and bank fraud, aggravated identity theft, money laundering, and Racketeer Influenced and Corrupt Organizations (RICO) Act violations.

An accomplished trial lawyer who has litigated at the local, state, federal, and appellate levels, Kalia has the skills to successfully defend her clients in court, when necessary, and the sophistication to achieve positive resolutions for them outside the courtroom whenever possible. Clients turn to Kalia for her analytic prowess, especially the ability to see potential opportunities and weaknesses from all sides of an issue, and her unparalleled insights into the workings of government enforcement actions around complex state and federal statutes.

While serving in the U.S. Attorney's Office for the Northern District of Illinois, most recently as Deputy Chief of the General Crimes Division, Kalia led trial teams through multiple federal jury trials, briefed and argued multiple appeals before the U.S. Court of Appeals for the Seventh Circuit, and supervised other Assistant U.S. Attorneys in handling investigations and prosecutions around narcotics and money laundering, racketeering, bank robbery, and various white collar fraud issues.

Before joining the U.S. Attorney's Office, Kalia was an Assistant State's Attorney for the Cook County State's Attorney's Office where she litigated over 100 bench trials and numerous jury trials.

Patrick Miles, Partner, Barnes & Thornburg, LLP (Grand Rapids, Michigan)

Former U.S. Attorney for the Western District of Michigan, Patrick Miles focuses his practice on corporate compliance, investigations, monitorships, corporate governance, and business transactions. He brings clients over 30 years of experience as both a business counselor and federal prosecutor.

Patrick represents and advises companies ranging in size from small local startups and private ventures to large publicly held international corporations. His clients appreciate his knowledge of the law as well as his ability to provide practical advice and legal solutions rather than obstacles. He seeks win-win outcomes in negotiations and brings a business approach to legal challenges.

Notably, Patrick served as U.S. Attorney for the Western District of Michigan from July 2012 to January 2017 by appointment of President Barack Obama. As a federal prosecutor, he focused on prosecuting those who exploited children, committed violent crimes or defrauded taxpayers, seniors and institutions, as well as on improving relations between law enforcement and the communities they serve. Patrick also worked to prevent crime and helped people from becoming victims. Serving as the chief federal law enforcement and legal officer in Western Michigan's 49 counties provided him with unique insights into a wide variety of federal criminal and civil legal matters, as well as exposure to local, tribal, state and federal government officials.

Prior to his time in public service, Patrick spent over 20 years in private practice for large law firms in Grand Rapids, where he counseled clients on entity formation, equity and debt financing transactions, mergers and acquisitions, minority and women-owned business formation, financing and certification, contracts and Michigan liquor licensing.

He also represented local governments nationwide in connection with telecommunications provider public right-of-way management and litigation, cable television franchising, rate regulation and customer service, cellular antenna leases, as well as Federal Communications Commission litigation, rulemakings and proceedings. Patrick is an active volunteer in the community and a frequent author and speaker to professional audiences on legal issues, professionalism, diversity and inclusion and to youth audiences regarding leadership and service. He offers an extraordinary perspective to teenage audiences, as he graduated from high school at age 16.

Amanda Keaveny, Law Office of Amanda Bethea Keaveny (Charleston, South Carolina)

LEGAL EXPERIENCE

Law Office of Amanda Bethea Keaveny, Charleston, South Carolina

Owner, September 1989-Present

- 1989-2004, provided legal representation in a variety of civil and criminal matters.
- 2004 to present, practice exclusively limited to immigration and federal criminal defense.
- Removal defense practice in Immigration Court, before the Board of Immigration Appeals, and before the Fourth Circuit Court of Appeals.
- Practice before USCIS and the Department of State, with a focus on family-based petitions, naturalizations, U visas, VA WA petitions and limited employment-based petitions.

PROFESSIONAL ACTIVITIES

Member of AILA Board of Governors June 2020-June 2023

- Attended four Board Meetings per year to create and implement the annual plans for the organization Chair, AILA EOIR Liaison Committee 2022-2023
- Met with EOIR leadership twice annually in liaison meetings
- Assisted in preparation of agenda items for liaison meetings with the Agency
- Met with Deputy Attorney General to suggest immigration fixes for consideration by the Administration
- Met with the Director of EOIR and the Chief Immigration Judge to raise issues of concern to the Bar
- Prepared Practice Advisories for AILA membership

Five Ways to Reduce the Burden, Expense, and Duration of Document Discovery

Sharon Markowitz, Stinson LLP

The cost of litigation, and particularly the cost of document discovery, is skyrocketing. Likewise, document discovery is becoming lengthier and more burdensome. Although technology-assisted review may decrease costs and increase speed in some cases, it is not always feasible, and it is not the only way to improve document discovery.

Read on for five ways you can reduce the cost, burden, and duration of document discovery—in lieu of or in combination with technology-assisted review.

Strategy #1: The Consensual Document Dump

Often, counsel agree that they are only required to produce documents that are responsive and are identifiable through an agreed-upon collection-and-search protocol. In other words, the producing party has no obligation to search for responsive documents beyond the agreed-upon protocol; *but the producing party may still have an obligation to review the resulting documents for responsiveness.* And if a party does not review the resulting documents for responsiveness, they might be accusing of "document dumping."

But document dumping can be a good option when the parties agree to it. Under the consensual-document-dumping approach, the producing party has the option—but not the obligation—to produce any document that is identified through the agreed-upon search protocol, regardless of whether it is responsive.

Benefits of This Strategy:

- It reduces the burden on the producing party of reviewing documents for responsiveness. (But note that if a document hits on a search term but is confidential or privileged, counsel for the producing party may want to review the document for responsiveness and withhold it on that basis rather than address privilege and confidentiality issues.)
- It speeds up production, which benefits both parties.
- Although the receiving party will receive more documents, its burden may not increase if the receiving party will, in any event, use targeted search terms or technology-assisted review to find and review just the important documents.
- Counsel may spend less time and money arguing over search terms because the producing party is not obligated to review all resulting documents.

Best Cases for This Strategy:

- Cases with many documents that hit on agreed-upon search terms—such that both parties will probably use search terms or technology-assisted review to find just the important documents.

Strategy #2: Producing Responsive Documents but Not Their Non-Responsive Family Members

Typically, parties produce any document that is responsive, plus all its family members (e.g. email attachments), without regard to whether they are independently responsive. This approach ensures that the receiving party receives the full context of a responsive communication. It also increases the likelihood that a responsive document that does *not* hit on the agreed-upon search terms is still produced—by virtue of its being an attachment to a responsive document that *does* hit on the search terms.

But the downside of this approach is that it *sometimes* substantially increases the number of documents that must be reviewed for confidentiality or privilege, while providing the receiving party with little to no additional relevant information. So if there are a substantial number of documents that do *not* hit on search terms but have a family member that does hit on search terms, this strategy might be for you.

Could can agree that: (1) the parties will only produce documents that are independently responsive (and identifiable through the agreed-upon collection-and-search protocol); but (2) the producing party will produce family members of specifically identified responsive documents upon the receiving party's good-faith request.

Benefits of This Strategy:

- It reduces the number of documents that the producing party may need to review for privilege, confidentiality, or other privacy issues.
- It speeds up production.
- It reduces the number of irrelevant documents that the receiving party receives and must weed through.
- It may resolve the problem of a responsive, non-privileged document that is attached to a privileged but non-responsive document.

Best Cases for This Strategy:

- Cases where there are many family members of responsive documents that are not independently responsive (which can be estimated based on the number of documents that hit on the responsiveness search terms).
- Cases where the confidentiality and/or privilege review is likely to be burdensome—particularly where non-responsive documents could require redaction.

Strategy #3: Designate Documents as Confidential En Masse

Typically, counsel agree that documents may only be marked as confidential if they meet certain parameters; and the receiving party may challenge that designation in certain

circumstances. The problem with this approach is that confidentiality review can be very expensive—often more expensive than responsiveness review. And the benefit of this confidentiality review is often de minimus given that very few documents produced ever see the light of a deposition, much less the light of the public eye.

To minimize this problem, counsel could agree that all documents (or all documents from a certain time period, a certain custodian, a certain search term, etc.) will be designated as confidential, but the receiving party may challenge the confidentiality of specific documents if (and only if) it wants to use the document in a way that is restricted for confidential documents under the terms of the Protective Order.

Benefits to This Strategy:

- It reduces the burden and expense of reviewing documents for confidentiality.
- It speeds up production.
- It acknowledges the fact that, in most cases, the receiving party is only interested in disclosing a tiny fraction of the documents produced; thus, the confidentiality designation on most documents is wholly irrelevant.

Best Cases for This Strategy:

- Cases in which a party is likely to have substantial confidentiality concerns or third-party or statutory confidentiality obligations that can be met through this strategy.

Strategy #4: Excuse the Inadvertent Production of Privileged Documents

Under the Federal Rules of Civil Procedure, the inadvertent production of privileged documents is considered a waiver of privilege if the producing party failed to take reasonable steps to prevent the inadvertent disclosure or failed to take reasonable steps to rectify the error. Fed. R. Civ. P. 502(b). But counsel could stipulate that the inadvertent production of privileged documents never constitutes a waiver of privilege.

Benefits of This Strategy:

- Although counsel should still take steps to prevent the disclosure of privileged documents, they may be able to take less expensive steps, with the knowledge that they can easily claw back any privileged documents.
- It speeds up production, which is good for both parties.

Best Cases for This Strategy:

- All cases

Strategy #5: Agree on a Sensible Privilege-Log Protocol

Traditional privilege logs take a lot of time to create and include lots of information that is unnecessary to demonstrate privilege.

Counsel can reduce their own headache in this regard by entering into a protocol that reduces the burden of privilege logging. For example, the parties might agree—

- Not to produce privilege logs except upon request.
- To produce logs that only include metadata that can be auto-populated from a document-review platform. From there, the receiving party may request additional information about specific entries if necessary to assess the privilege.
- Not to log documents created after a specific date (e.g. after the complaint was filed, after the producing party knew that litigation was likely, or after the present dispute arose).
- Not to log documents between a party and its outside counsel as long as no third parties were part of the communication OR not to provide privilege descriptions for such documents. (After all, the To/From/CC information will make clear that the documents is an attorney-client communication, and the document almost certainly includes the solicitation or communication of legal advice if it the document is responsive. So the description of the document is unnecessary to demonstrate that the document is privileged.)
- Not to log documents that are redacted for privilege unless the receiving party determines that it needs a log to assess the privilege. (Often times, the redacted document will provide all of the information that would be in the log, so this is unnecessary.)
- Identify some privileged documents (e.g. documents between a party and Law Firm X regarding Topic Y) by category rather than individually.
- Only log a single email in each thread or a single near-duplicate document.

Benefits of This Strategy:

- Privilege logs are less expensive to create.
- The receiving party receives the privilege log sooner.

Best Cases for This Strategy:

- All cases

All of these strategies have some downsides. But I submit that in many cases, the upsides far outweigh the downsides. By entering into creative agreements regarding document production, we can stop the trend toward longer, more burdensome, and more expensive discovery.

About the Author - *Sharon Markowitz represents clients in a range of commercial litigation and employment litigation matters -including class actions and other high-exposure, complex litigation, often involving financial services or consumer-protection claims. Sharon is a co-chair of the Minnesota FBA's Civil Discovery Practice Group, which seeks to make civil discovery better, faster, and cheaper.*

Diversity Destroyed. Jurisdiction Sunk?

Melanie Kalmanson[1]

You are defending an action in which you removed the action to federal court based on diversity.[2] But what happens if diversity is later destroyed?

One of the following two answers probably came to mind: (1) The court retains jurisdiction because the basis for removal is established on the face of the pleadings; or (2) The court no longer has jurisdiction and must remand to state court. Regardless which one it was, you are right. As with almost every question in the law, the answer is: "It depends." The sticking point is what destroyed diversity.

Establishing a Basis for Removal

Under 28 U.S.C. § 1441, a defendant may remove a case filed in state court to federal court if the federal court has federal-question jurisdiction (28 U.S.C. § 1331) or diversity jurisdiction (28 U.S.C. § 1332). This article focuses on the latter. To establish diversity jurisdiction, the defendant must establish two elements. First, the amount in controversy must exceed $75,000, exclusive of interest and costs.[3] Second, there must be diversity among the parties; the most common way this occurs is where the matter is between "citizens of different States."[4]

The purpose of removal based on diversity is to "protect defendants" and give diverse defendants the option between state and federal court.[5] Courts have characterized this as the flip side of the plaintiff's right to choose the forum.[6]

The basis for diversity jurisdiction is reviewed at the time of removal based on the pleadings.[7]

Amending with the Same Parties, New Information

After the case has been removed to the federal district court, an amendment that destroys diversity does not divest the court of its jurisdiction.[8] For example, the court retains jurisdiction even if the plaintiff files an amended complaint that lowers the amount in controversy under the statutory threshold.[9] The same is true where new information becomes available about the parties' citizenship.[10]

The key in these examples is that the parties do not change. So long as the parties remain the same, it is very difficult for a plaintiff to "amend away jurisdiction" after removal.[11]

Adding New, Non-Diverse Parties

The answer changes where the amendment seeks to add a non-diverse party. Under 28 U.S.C. § 1447 (e), "[i]f after removal the plaintiff seeks to join additional defendants whose joinder would destroy subject matter jurisdiction, the court may deny joinder, or permit joinder and remand the action to the State court."[12] Therefore, when faced with a motion for leave to amend to join a non-diverse party after removal, the district court has two options:(1) deny the amendment and retain jurisdiction; or (2) allow the joinder and remand to state court.[13]

To the extent there is conflict between Rule 15(a) of the Federal Rules of Civil Procedure, which directs courts to liberally allow leave to amend, with section 1447(e), federal courts have determined that section 1447(e) trumps in this instance.[14] Thus, district courts view amendments after removal that add non-diverse parties with "greater scrutiny."[15]

The analysis of whether to allow joinder is a balancing test, in which "the district court should consider: (1) the extent to which the purpose of the amendment is to defeat federal jurisdiction, (2) whether plaintiff has been dilatory in asking for amendment, (3) whether plaintiff will be significantly injured if amendment is not allowed, and (4) any other factors bearing on the equities."[16]

When considering whether plaintiffs may seek leave to amend to avoid federal jurisdiction, the U.S. District Court for the Southern District of Florida has cautioned that courts should be especially wary where "a plaintiff seeks to add a nondiverse defendant immediately after removal but before any additional discovery has taken place."[17]

Ultimately, the court should not allow the joinder "unless strong equities support the amendment," and "the parties do not start out on equal footing" in that analysis.[18] The Southern District of Florida has explained that the reason for this defendant-friendly analysis is to protect the "defendant's interest in the choice of the federal forum," which is the purpose of removal.[19]

If the Court denies the amendment, then the Court maintains jurisdiction.[20] However, if the Court allows the amendment adding the non-diverse party, then section 1447(e) directs that the district court must remand the matter to state court because diversity jurisdiction no longer exists.

Conclusion

For purposes of determining whether a federal district court retains subject matter jurisdiction when diversity is destroyed, there is a distinction between: (1) a change in the citizenship of the original parties upon which diversity was established; and (2) adding new, non-diverse defendants. In the former, the Court does not lose jurisdiction. However, in the latter, the Court loses jurisdiction and must remand the case to state court.

Melanie Kalmanson *is an Associate at Quarles & Brady LLP in Tampa, Florida. She focuses her practice in commercial litigation, representing clients in all phases of litigation in state and federal court. Before private practice, she served as a law clerk to Florida Supreme Court Justice Barbara J. Pariente.*

Endnotes

[1]P.S. For anyone who missed it, the title is a Battleship® reference.

[2]*See* 28 U.S.C. § 1441(b).

[3]28 U.S.C. § 1332(a).

[4]28 U.S.C. § 1332(a)(1).

[5]*Clark v. Unum Life Ins. Co. of Am.*, 95 F. Supp. 3d 1335, 1345 (M.D. Fla. 2015); *accord Small v. Ford Motor Co.*, 923 F. Supp. 2d 1354, 1357 (S.D. Fla. 2013) (citing *Bevels v. Am. States Ins. Co.,* 100 F. Supp. 2d 1309, 1313 (M.D. Ala. 2000)).

[6]*See Small*, 923 F. Supp. 2d at 1357 ("Just as plaintiffs have the right to choose to sue in state court when complete diversity does not exist, non-resident defendants have the right to remove to and litigate in federal court when diversity of citizenship does exist.").

[7]*See, e.g., Bevels*, 100 F. Supp. 2d at 1312 ("[T]he propriety of removal should be considered based upon the pleadings as of the date of removal.") (citing *Cabalceta v. Standard Fruit Co.*, 883 F.2d 1553, 1561 (11th Cir. 1989)).

[8]*Id.* ("[E]vents occurring after removal that destroy diversity or reduce the amount in controversy will not divest the court of its jurisdiction." (citing *St. Paul Mercury Indem. Co. v. Red Cab Co.*, 303 U.S. 283, 288-90 (1938))).

[9]*Id.* ("[E]vents occurring after removal that destroy diversity or reduce the amount in controversy will not divest the court of its jurisdiction." (citing *St. Paul Mercury Indem.*, 303 U.S. at 288-90)).

[10]*See id.* (citing *Wis. Dep't of Corr. v. Schacht*, 524 U.S. 381, 391 (1998)).

[11]*Id.* (citing 15 Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure*, § 3721 (3d ed. 2009) ("[O]nce a case has been properly removed, there is very little that a plaintiff can do that will defeat federal subject-matter jurisdiction and force a remand to state court.")).

[12]28 U.S.C. § 1447 (e).

[13]*Id.; see Bevels v. Am. States Ins. Co.*, 100 F. Supp. 2d 1309, 1312 (M.D. Ala. 2000) ("[W]hen an amendment to the complaint would destroy diversity jurisdiction, a district court has the authority to deny the plaintiff's right to amend.").

[14]*See Bevels*, 100 F. Supp. 2d at 1312 (collecting cases); *see, e.g., id.* at 1312-13 (finding that following section 1447(e) was the appropriate approach because Section 1447(e) "specifically addresses amendments in the context of the court's exercise of its jurisdiction in a removed case," and Section 1447(e) provides "the better approach from a practical standpoint").

[15]*Espat v. Espat*, 56 F. Supp. 2d 1377, 1382 (M.D. Fla. 1999) (citing *Hensgens v. Deere & Co.*, 833 F.2d 1179, 1182 (5th Cir. 1987)); *accord Small v. Ford Motor Co.*, 923 F. Supp. 2d 1354, 1357 (S.D. Fla. 2013).

[16]*Small*, 923 F. Supp. 2d at 1356-57; *accord Bevels*, 100 F. Supp. 2d at 1313 (citing *Hensgens*, 833 F.2d at 1182).

[17]*Small*, 923 F. Supp. 2d at 1357 (quoting *Ibis Villas at Miami Gardens Condo Ass'n, Inc. v. Aspen Specialty Ins. Co.*, 799 F. Supp. 2d 1333, 1335 (S.D. Fla. 2011)).

[18]*Id.* (quoting *Sexton v. G & K Servs., Inc.*, 51 F. Supp. 2d 1311, 1313 (M.D. Ala. 1999)) (citing *Smith v. White Consol. Indus., Inc.*, 229 F. Supp. 2d 1275, 1281 (N.D. Ala. 2002)); *accord Bevels*, 100 F. Supp. 2d at 1313.

[19]*Small*, 923 F. Supp. 2d at 1357.

[20]*See, e.g., Bevels*, 100 F. Supp. 2d at 1314.

October 2022 Term Intellectual Property Case Summaries

In an IP-packed October 2022 term, the Supreme Court granted certiorari for four major cases which have the potential to change litigation strategy across the big three intellectual property rights, copyright, trademark, and patent law. This article provides a brief summary of each of the four cases.

Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, Dkt. No. 21-869

In 1981, photographer Lynn Goldsmith photographed Prince (below, right), and Andy Warhol copied that image for his 1984 silkscreen series "Prince Series." Goldsmith sued the Andy Warhol Foundation for copyright infringement after a Prince Series image was displayed on the cover of a 2016 issue of Vanity Fair (below, left).

photographs taken from Court documents

The Copyright Act protects an artist's creative expressions against, among other things, the creation of derivative works—works that copy some portion of the protected work. However, an otherwise infringing author may defend against a copyright claim if they can prove their use of the protected work was "fair use." In determining whether a use is "fair," courts are to consider four factors: (1) the purpose and character of the use, (2) the nature of the copyrighted work, (3) the amount and substance of the portion of the work used, and (4) the effect upon the potential market or the protected work.

Fair use is often successfully asserted when a work is "transformative." A work is transformative when it has a different purpose or character or brings forth new expression or meaning, and such analysis is usually undertaken under the first of the four fair use factors. Thus, the central issues of this case are presented: is the image on the right transformative? And if so, how does that affect the other three factors?

From a public policy perspective, a broad definition of "transformative" risks limiting the exclusive right to create derivative works but also promotes creative expression, whereas a limited definition creates the inverse effect. From a licensing and litigation perspective, a broad definition raises the chance a derivative work is fair use, and thus the author of the derivative work has more bargaining power in a potential infringement suit. The effect is further enhanced if a derivative work being transformative reduces the relevance of the other three factors because the focus of protection is shifted away from the original work.

Abitron Austria GmbH v. Hetronic International, Inc., Dkt. No. 21-1043

On appeal, the Tenth Circuit Court of Appeals affirmed a damages award of approximately $90 million to U.S.-based Hetronic stemming from a jury verdict finding that foreign entity Abitron and other foreign entities infringed Hetronic's U.S. trademark rights under the Lanham Act. Of the $90 million, $87 million was for infringing products sold outside the United States and another $2 million was for infringing products sold abroad to foreign customers who intended to sell those products back to U.S. customers. The Tenth Circuit, in affirming, held that because the infringement had a substantial effect on Hetronic's sales in the United States, damages could be awarded based on even entirely foreign sales.

Abitron petitioned the Supreme Court for review, presenting the question as to whether the Tenth Circuit erred in applying the Lanham Act to a foreign defendant's foreign conduct merely because that conduct diverts foreign sales from a United States entity. The Solicitor General, representing the United States, filed an amicus brief urging the Court to grant certiorari to clarify that the Lanham Act should only apply when a foreign defendant's use of a U.S. plaintiff's trademark is likely to cause confusion in U.S. consumers (a primary goal of the Lanham Act is to avoid confusion as to which goods or services are from which source).

The importance of this case is self-evident; if the Court sides with Hetronic, trademark owners may seek damages for infringing conduct in a much broader geographic area. If the Court sides with Abitron, however, Hetronic's damages award may drop from $90 million to about $1 million!

Jack Daniel's Properties, Inc. v. VIP Products LLC, Dkt. No. 22-148

In another Lanham Act case, Jack Daniels Properties, owner of the trademarks and trade dress of the famous Old No. 7 Tennessee Whiskey brought suit against VIP Products for a dog toy that mimics the distinctive bottle shape and label identifying the whiskey.

photographs taken from Court documents

Jack Daniels argues the dog toys are tarnishing its brand in another violation of the Lanham Act by introducing bathroom humor to the distinctive whiskey brand. Meanwhile, VIP Products claims its dog toy is a parody of the whiskey maker and entitled to First Amendment protection. The Ninth Circuit sided with VIP Products, holding that the dog toy was an expressive work. Under Ninth Circuit precedent, the Lanham Act applies to expressive works "only if the defendant's use of the mark is (1) not artistically relevant to the work or (2) explicitly misleads consumers as to the source or the content of the work." Gordon v. Drape Creative, 909 F.3d 257 (9th Cir. 2018). The Ninth Circuit held that the Bad Spaniels toy did not meet either criterion.

The Gordon test provides a high bar that plaintiffs must overcome to apply the Lanham Act to deliberate mimicry, so this case has far-reaching interest for parody and brand management. Big names such as Campbell Soup Company, the American Craft Spirits Association, Levi Strauss & Co., and Patagonia Inc. have all provided amicus input to date.

Amgen Inc. v. Sanofi, Dkt. No. 21-757

When an inventor invents something new, useful, and non-obvious, the inventor may apply for a patent. The patent grants the inventor a 20-year monopoly on the right to exploit the claimed invention. In exchange for the monopoly, the inventor must disclose enough information to enable practitioners of the relevant discipline to make and use the claimed invention without undue experimentation. This "enablement" requirement is the quid pro quo of patent law; the inventor teaches the United States and its citizens how to make and use their invention and the United States grants a limited right to exploit the invention. Failure to meet the enablement requirement, however, may result in invalidation of the patent.

In Amgen Inc. v. Sanofi, Amgen claims the Court of Appeals for the Federal Circuit (which has exclusive jurisdiction over patent appeals) has gone too far in invalidating Amgen's antibody patents because it imposed a disclosure burden greater than that required by Congress. The Federal Circuit invalidated Amgen's patents because they did not enable the "full scope" of the claimed invention.

An invention may be embodied in a variety of ways. For example (and ignoring the new, useful, and non-obvious requirements), a patent may claim "a board fastened to a wall." The claim language is generic enough that the fastener could be a screw, a nail, a bolt, a cable tie, et cetera. Under the "full scope" requirement, every method of fastening would need to be disclosed to meet the enablement requirement. This might not be so bad for a board fastened to a wall, but more complicated inventions are likely to have far more working embodiments.

Amgen's chief concern is that a nontrivial number of embodiments may need to be tested to determine how claim language should be drafted, thereby unduly increasing the burden to obtain patent protection. A higher enablement burden also puts many existing patents at risk of invalidation. Unsurprisingly then, amici input in this docket has been high: 14 briefs have been filed since certiorari was granted and one interested party moved to participate in oral argument.

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