United States Court of Appeals for the Federal Circuit

AML IP, LLC,
Plaintiff-Appellant

v.

BATH & BODY WORKS DIRECT, INC., BIG LOTS STORES, LLC, THE BUCKLE, INC.,
Defendants-Appellees

AMY'S HALLMARK, BEAUTY BRANDS, INC., BEAUTY BRANDS, LLC,
Defendants

2025-1280

Appeal from the United States District Court for the Eastern District of Texas in Nos. 4:22-cv-00216-SDJ, 4:22-cv-00223-SDJ, 4:22-cv-00225-SDJ, Judge Sean D. Jordan.

Decided: August 28, 2026

WILLIAM PETERSON RAMEY, III, Ramey LLP, Houston, TX, for plaintiff-appellant.

LANCE E. WYATT, JR., Fish & Richardson P.C., Dallas, TX, argued for defendants-appellees Bath & Body Works Direct, Inc. and The Buckle, Inc. Also represented by DAVID BRANDON CONRAD, NEIL J. MCNABNAY.

LANCE E. WYATT, JR., for defendant-appellee Big Lots Stores, LLC. Also represented by DAVID BRANDON CONRAD, NEIL J. MCNABNAY.

Before PROST, BRYSON, and REYNA, *Circuit Judges*.

PROST, *Circuit Judge*.

AML IP, LLC ("AML") sued Bath & Body Works Direct, Inc. and The Buckle, Inc. ("Appellees") in the U.S. District Court for the Eastern District of Texas for infringing U.S. Patent No. 6,876,979 ("the '979 patent").

Each Appellee moved to dismiss—for both (1) improper venue and (2) failure to state a claim upon which relief can be granted, due to the '979 patent's claims being allegedly ineligible for patenting under 35 U.S.C. § 101.[1]

The district court, in a single order, dismissed on both grounds. It first concluded that venue was improper and

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[1] AML had also sued Big Lots in the same court for infringing the same patent (by "Big Lots" we refer, individually or collectively, to the various seemingly related entities that have been the subject of the instant proceedings in the district court and this court, including Big Lots Stores, LLC and Big Lots Stores, Inc. dba Big Lots, Inc.). Big Lots filed its own motion to dismiss that included these same two grounds for dismissal. After Big Lots appeared as an appellee in this appeal, it notified this court of the filing of a bankruptcy petition under chapter 11 of title 11 of the U.S. Code. We thereafter stayed this appeal as to Big Lots, citing the automatic-stay provision of 11 U.S.C. § 362(a)(1). Order, ECF No. 14 (Mar. 31, 2025). Because the stay as to Big Lots remains in effect, this opinion and corresponding judgment apply only to the non-Big Lots Appellees.

dismissed for that reason. It then analyzed the '979 patent's claims, deemed them ineligible for patenting, and dismissed for that reason as well.

On appeal, AML does not dispute the merits of the district court's conclusions as to venue or eligibility. Instead, it argues that, after the court concluded that venue was improper and dismissed for that reason, the court erred by going further and dismissing for ineligibility as well. For the reasons below, we affirm.

BACKGROUND

As noted above, AML sued Appellees in district court for infringing the '979 patent. The '979 patent relates to e-commerce methods using a "bridge computer" to facilitate interactions between different service providers. *See, e.g.*, '979 patent Abstract; *id.* at col. 1 ll. 47–48 ("The bridge computer may act as a clearinghouse for transactions . . . .").

Each Appellee filed its own motion to dismiss under Rules 12(b)(3) and 12(b)(6) of the Federal Rules of Civil Procedure—for improper venue and failure to state a claim, respectively. For the Rule 12(b)(3) portion, Appellees argued that the patent-specific venue provisions of 28 U.S.C. § 1400(b) were not satisfied, because Appellees neither resided in the Eastern District of Texas nor committed acts of infringement there. For the Rule 12(b)(6) portion, Appellees argued that the '979 patent's claims are ineligible for patenting under 35 U.S.C. § 101, and therefore, that AML failed to state a claim upon which relief could be granted. AML opposed both grounds.

A few months after initial briefing concluded on Appellees' motions to dismiss, the district court stayed the case pending a ruling on those motions. It reasoned that a stay would "conserve judicial resources while [it] rules on threshold issues presented in the motions." Order at 1, *AML IP, LLC v. Bath & Body Works Direct, Inc.*, No. 4:22-cv-216 (E.D. Tex. Oct. 4, 2022), ECF No. 21. It also observed that, "[w]hen a party files a motion challenging venue, that motion should take 'top priority' in the case." *Id.* (quoting *In re Apple Inc.*, 979 F.3d 1332, 1337 (Fed. Cir. 2020)).

The district court thereafter granted the motions and dismissed on both grounds. Its dismissal order first addressed the Rule 12(b)(3) venue challenge, concluding that AML failed to establish venue under 28 U.S.C. § 1400(b) and that, "[f]or this reason alone, the case should be dismissed." *AML IP, LLC v. Bath & Body Works Direct, Inc.*, No. 4:22-cv-216, 2024 WL 3825242, at *3 (E.D. Tex. Aug. 13, 2024). It then addressed the Rule 12(b)(6) patent-ineligibility challenge, concluding that the '979 patent's claims are ineligible for patenting under 35 U.S.C. § 101 and dismissing for that reason as well. *See id.* at *4, *9. The court entered judgment accordingly.

AML then filed a Rule 59(e) motion to amend the judgment or, alternatively, to amend its complaint. AML's motion mainly requested that the district court amend its judgment to vacate the ineligibility dismissal (and instead dismiss on venue alone) because, in AML's view, the court erred by dismissing for ineligibility after it had deemed venue improper.

The district court, in denying this motion, explained that it was not "aware of any controlling authority forbidding courts from considering venue and substantive issues together when those issues were briefed and argued together—as was the case here." J.A. 3; *see also* J.A. 4 ("Although courts routinely find that they *need not* address substantive issues after finding that venue is improper, AML [has] not identif[ied] any rule or authority for the proposition that courts *cannot* do so." (emphasis in original)). It also noted that, although 28 U.S.C. § 1406(a) instructs courts lacking venue to "dismiss, or if it be in the interest of justice, transfer" the case to any district "in which it could have been brought," the parties did not identify any district to which the case might have been transferred. *See* J.A. 3 (quoting 28 U.S.C. § 1406(a)). The court therefore reasoned that, "[u]nder the circumstances," it had "discretion to decide whether dismissal was appropriate on multiple grounds"—and that it made such a decision "in the interest of efficiency." J.A. 3–4. As to AML's alternative request to amend its complaint, the court concluded that any amendment would be futile; it thus denied that request, too. J.A. 5 (noting further that AML had "not identif[ied] any amendment it could make to save its [patent] claim[s]").

AML timely appealed.[2] We have jurisdiction under 28 U.S.C. § 1295(a)(1).

DISCUSSION

In reviewing district-court decisions, we apply the law of the regional circuit—here, the Fifth Circuit—to issues not unique to patent law. *See, e.g.*, *Optis Cellular Tech., LLC v. Apple Inc.*, 139 F.4th 1363, 1383 (Fed. Cir. 2025).

AML's challenge on appeal concerns the district court's decision to reach the Rule 12(b)(6) portion of Appellees' motions to dismiss after it addressed the Rule 12(b)(3) portion and concluded that it lacked venue. That decision implicates the court's docket-management authority and presents no issue unique to patent law. Under Fifth Circuit law, we review a district court's docket management for abuse of discretion. *E.g.*, *In re Deepwater Horizon*, 988 F.3d 192, 197 (5th Cir. 2021) (noting district courts' "broad discretion" to manage their dockets (cleaned up)).

AML asks us to vacate the district court's dismissal for patent ineligibility under Rule 12(b)(6). It makes two main

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[2] AML originally appealed to the Fifth Circuit, which transferred to this court due to our exclusive jurisdiction over appeals from final district-court decisions in cases "arising under . . . any Act of Congress relating to patents," 28 U.S.C. § 1295(a)(1).

arguments in support of this request, which we address in turn.

I

AML's first argument for vacating the patent-ineligibility dismissal is that, once the district court concluded that it lacked venue, it should have stopped there and dismissed solely on that ground[3]—rather than going further and dismissing for failure to state a claim as well.

At the outset, we note that AML does not seem to argue that the district court lacked the *power* to dismiss for failure to state a claim after it concluded that venue was improper. Nor do we think the court lacked such power. Unlike subject-matter jurisdiction, for example, venue is waivable and does not implicate a court's power to act. *See, e.g.*, *Lindahl v. OPM*, 470 U.S. 768, 793 n.30 (1985) ("[R]ather than relating to the power of a court, venue relates to the convenience of litigants and . . . is subject to their disposition." (cleaned up)); *see also Leroy v. Great W. United Corp.*, 443 U.S. 173, 180 (1979) ("[N]either personal jurisdiction nor venue is fundamentally preliminary in the sense that subject-matter jurisdiction is, for both are personal privileges of the defendant, rather than absolute strictures on the court, and both may be waived by the parties."). This distinction is evident in the case law regarding

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[3] As alluded to earlier, *dismissal* for improper venue was not the only option available to the district court once it concluded that it lacked venue. Instead, the court might have transferred the case to "any district . . . in which it could have been brought" if doing so would have been "in the interest of justice." 28 U.S.C. § 1406(a). Here, however, no party suggested an alternative venue to which the case could have been transferred, and AML did not appeal the court's decision not to transfer. We therefore note the possibility of a § 1406(a) transfer only for the sake of completeness.

Rule 12(b) motions raising multiple grounds. When one of those grounds is lack of subject-matter jurisdiction (raised under Rule 12(b)(1)), the cases are "legion" for endorsing the practice of resolving the subject-matter-jurisdiction ground first—and, if such jurisdiction is found lacking, dismissing solely on that ground. *See, e.g.*, 5B Charles Alan Wright, Arthur R. Miller & A. Benjamin Spencer, Federal Practice and Procedure § 1350, p. 172 & n.58 (4th ed. 2024) (collecting cases). In contrast, cases giving similarly elevated treatment to Rule 12(b)(3) venue challenges (as among other, concurrently raised Rule 12(b) grounds) appear relatively scarce.

AML therefore argues instead that, regardless of the district court's *power* to reach the Rule 12(b)(6) eligibility ground after deeming venue improper, it nonetheless *should* have refrained from doing so. The cases that AML cites to support this argument generally fall into two categories—neither of which helps AML.

AML's first category of cases admonishes district courts to give venue motions "top priority," *see In re Horseshoe Ent.*, 337 F.3d 429, 433 (5th Cir. 2003), as opposed to letting such motions languish while having the parties conduct extensive merits litigation in the meantime. *See, e.g.*, *In re Apple*, 979 F.3d at 1337–38 (observing that, "[a]lthough district courts have discretion as to how to handle their dockets, once a party files a transfer motion," the court should give that motion "top priority" rather than "barrel[] ahead on the merits").[4]

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[4] This admonition often appears in the context of motions to transfer under 28 U.S.C. § 1404(a). Unlike a Rule 12(b)(3) motion, which challenges the current venue as improper, a § 1404(a) motion seeks transfer because a different venue is more convenient. *See id.* at 1346 ("[T]he entire premise of a § 1404(a) transfer motion is that a case, *although brought in a proper venue*, should nevertheless be

AML's reliance on this category of cases to show that the district court abused its discretion is unpersuasive—for a few reasons. First, the above-described admonition does not speak directly to the issue presented in this case, which concerns what a district court may do *after* it has concluded that venue is improper. Second, the court here actually complied with this admonition; it resolved the venue challenge before ruling on any merits-related issue and even stayed the case pending that resolution. Third, a key reason for this admonition is to protect the *movant* from having to litigate in an objectionable venue.[5] Here, given that AML was not the venue-objecting movant—indeed, AML clearly wanted to keep litigating in the Eastern District of Texas—it is hardly apparent that AML could be heard to complain even if the court *had* run afoul of this admonition (e.g., by ruling on merits-related issues while unduly delaying resolution of Appellees' venue motions). All told, AML's reliance on this category of cases does not persuade us that the district court abused its discretion.

AML's second category consists solely of nonbinding district-court cases that, at most, articulate some general principles informing when a court should dispose of a venue motion relative to other pending, substantive

transferred for the convenience of the parties." (emphasis in original)). We see no reason why the same admonition would not apply to a Rule 12(b)(3) motion, given that such a motion (1) rests on the current venue being legally *improper* (as opposed to just relatively inconvenient); and (2) will, if granted, result in either dismissal or transfer (via § 1406(a)). That said, we need not decide here whether it applies to a Rule 12(b)(3) motion; instead, we will simply assume that it does, for purposes of addressing AML's arguments.

[5] The movant in this situation tends to be the defendant. The plaintiff, after all, chose the venue in the first place (literally).

motions. Representative of this category is *United States v. Swift & Co.*, 158 F. Supp. 551 (D.D.C. 1958).[6] There, in what was "one of the major antitrust cases in the federal courts," *id.* at 558, two motions were filed with the district court—one from defendants seeking a § 1404(a) venue transfer; the other from the plaintiff seeking summary judgment, *id.* at 553–54. The *Swift* court considered defendants' venue motion first, decided that transfer was warranted, and then transferred without deciding the motion for summary judgment. In choosing this approach, the court reasoned that (1) "the summary judgment in a case of this nature and extent will involve time and effort, in all likelihood, greater than that involved in the majority of trials"; and (2) it wanted to avoid "transferring a case in which the transferring court had ruled on an important element of the case which the transferee court should be allowed to be free to rule upon itself." *Id.* at 560.

AML's reliance on this category of cases is likewise unpersuasive. As relevant here, cases like *Swift* stand for no more than a common-sense principle that district courts *should*, generally, resolve a venue motion before taking up a substantial merits-related motion, because (1) the venue motion might be simpler to evaluate; and (2) if transfer is warranted, the transferee court should get to adjudicate that substantial merits-related motion. This principle, however, does not demonstrate that the district court abused its discretion here. That is at least because, here, the court *did* address venue first and yet *did not* determine that transfer was warranted. Instead, it decided to dismiss for improper venue, and then to dismiss independently for

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[6] Other cases in this category include *Andrade v. Chojnacki*, 934 F. Supp. 817 (S.D. Tex. 1996), and *Gold v. Scurlock*, 290 F. Supp. 926 (S.D.N.Y. 1968). *Andrade* cited *Gold*, which cited *Swift*. *See Andrade*, 934 F. Supp. at 825 (citing *Gold*, 290 F. Supp. at 929 (citing *Swift*, 158 F. Supp. at 560)).

failure to state a claim. Put differently, this principle does not speak to the particular question here: whether a district court should refrain from dismissing for failure to state a claim once it has decided that dismissal for improper venue is warranted.

Finally, not only do we conclude that AML has failed to show that the district court abused its discretion, we also think that, in a circumstance like this—where a motion to dismiss includes both Rule 12(b)(3) and Rule 12(b)(6) grounds—certain judicial-economy considerations actually favor the district court's approach of deciding both grounds. Specifically, by deciding both grounds, the district court enabled this court to review the merits of both decisions in the same appeal. Had the district court done otherwise—for example, by dismissing only for improper venue without reaching the Rule 12(b)(6) eligibility ground—and had we reversed its improper-venue dismissal and remanded,[7] the district court might have then dismissed on the Rule 12(b)(6) eligibility ground, which would have likely prompted yet another appeal. The district court's approach of concurrently deciding these two concurrently raised grounds helped avoid the prospect of such inefficient, piecemeal appeals.

II

AML's second argument for vacating the patent-ineligibility dismissal rests on its view that this particular dismissal will not have preclusive effect in future cases. The argument goes like this: because the patent-ineligibility dismissal was unnecessary to the district court's judgment, it will not have preclusive effect; and because it will not have preclusive effect, we should vacate it. At bottom, though—vacatur or not—AML simply wants this court to

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[7] Of course, we express no view as to the merits of the district court's improper-venue dismissal here, given that AML has not challenged those merits in this appeal.

confirm that the patent-ineligibility dismissal will not have preclusive effect. *See* Reply Br. 2 (seeking "certainty" on this issue in the form of "vacating the dismissal under [Rule] 12(b)(6) or a statement that the ruling has no preclusive effect").

We reject AML's request for what is essentially an advisory opinion on the preclusive effect that the district court's judgment (and ours) might have in future cases. The usual rule is that "the precise [preclusive] effect of the judgment[] in [the instant] case will necessarily have to be decided in any . . . later action[] that may be brought." *See In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1310 n.5 (Fed. Cir. 2011); *see also Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316, 1322 (Fed. Cir. 2020) (observing that, until a subsequent action is brought, "any determination we make as to whether [the patentee] is claim precluded . . . is advisory in nature and falls outside of our Article III jurisdiction"); Fed. R. Civ. P. 23 advisory committee's note to 1966 amendment (noting "the recognized principle that the court conducting the action cannot predetermine the *res judicata* effect of the judgment; this can be tested only in a subsequent action"). We see no reason to depart from that rule here.

CONCLUSION

We have considered AML's remaining arguments and find them unpersuasive. For the foregoing reasons, we affirm.

AFFIRMED