

2019-1283, 2019-1284

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

DRAGON INTELLECTUAL PROPERTY, LLC,
Plaintiff-Appellee,

v.

DISH NETWORK L.L.C.,
Defendant-Appellant,

v.

ROBERT E. FREITAS, FREITAS & WEINBERG LLP, JASON S. ANGELL,
Respondents-Appellees.

DRAGON INTELLECTUAL PROPERTY, LLC,
Plaintiff-Appellee,

v.

SIRIUS XM RADIO INC.,
Defendant-Appellant,

v.

JASON S. ANGELL, ROBERT E. FREITAS, FREITAS & WEINBERG LLP,
Respondents-Appellees.

Appeals from the United States District Court for the District of Delaware
C.A. Nos. 1:13-cv-02066-RGA, 1:13-cv-02067-RGA

**APPELLANTS DISH NETWORK L.L.C. AND SIRIUS XM RADIO
INC.'S CORRECTED JOINT OPENING BRIEF**

FEBRUARY 8, 2019

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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Dragon Intellectual Property v. DISH Network L.L.C.

Case No. 2019-1283, -1284

CERTIFICATE OF INTEREST

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1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
DISH Network L.L.C.	DISH Network L.L.C.	DISH DBS Corporation
		DISH Network Corporation
		Vanguard Group, Inc.

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FORM 9. Certificate of Interest

Form 9
Rev. 10/17

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. *See* Fed. Cir. R. 47.4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary).

Dragon Intellectual Property v. Sirius XM, CAFC 2019-1284

2/8/2019

Date

/s/ Jamie R. Lynn

Signature of counsel

Jamie R. Lynn

Printed name of counsel

Please Note: All questions must be answered

cc: All Counsel of Record

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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Dragon Intellectual Property, LLC v. DISH Network, LLC, Sirius XM Radio Inc.

Case No. 19-1283, -1284

CERTIFICATE OF INTEREST

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1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
Sirius XM Radio Inc.	Sirius XM Radio Inc.	Sirius XM Holdings, Inc.
		Liberty Media Corporation

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Dragon Intellectual Property LLC v. DISH Network LLC, Fed. Cir. No. 19-1283

2/8/2019

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Please Note: All questions must be answered

cc: All Counsel of Record

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STATEMENT OF RELATED CASES

This case is related to the following cases: *Dragon Intellectual Prop., LLC v. Apple, Inc.*, No. 13-cv-2058-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. AT&T Servs.*, No. 13-cv-2061-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. DirecTV, LLC*, No. 13-cv-2065-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. DISH Network L.L.C.*, No. 13-cv-2066-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. Sirius XM Radio Inc.*, No. 13-cv-2067-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. Charter Commc'ns*, No. 13-cv-2062-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. Comcast Cable Commc'ns*, No. 13-cv-2063-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. Cox Commc'ns*, No. 13-cv-2064-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. Time Warner Cable Inc.*, No. 13-cv-2068-RGA (D. Del.); *Dragon Intellectual Prop., LLC v. Verizon Commc'ns*, No. 13-cv-2069-RGA (D. Del.).

This case was subject to previous appeals before this Court from plaintiff, Dragon Intellectual Property, LLC's ("Dragon's"), appeal from the district court's judgment of noninfringement and on Dragon's appeal from the Patent Trial and Appeal Board's final written decision invalidating the challenged claims of the asserted patent. *Dragon Intellectual Prop., LLC v. DISH Network LLC et al.*, No. 2016-2468, 2016-2492 (Fed. Cir. Nov. 1, 2017); *Dragon Intellectual Prop., LLC v. Apple Inc.*, No. 2016-2186 et al. (Fed. Cir. Nov. 1, 2017).

This case is also related to the following previous appeal: *Dragon Intellectual Prop., LLC v. Unified Patents, Inc.*, No. 2016-1813 (Fed. Cir. Nov. 1, 2017).

There are no other related cases.

I. INTRODUCTION

Dragon sued DISH Network L.L.C. (“DISH”), Sirius XM Radio Inc. (“SXM”),¹ and eight other defendants in a mass patent-enforcement campaign starting in 2013. From the outset, the asserted claims clearly did not read on any defendant’s product or service in view of the clear claim language and even clearer prosecution history. Dragon nonetheless pursued a failed strategy to reinterpret the claim terms in a way that directly contradicted the prosecution history. In response, DISH and SXM successfully invalidated all asserted claims of the patent before the Patent Trial and Appeal Board (“PTAB”) and later successfully defended their win in a final decision and mandate by this Court. In the district court, Dragon’s reinterpreted claim-construction theory—the single thread that held every one of its cases together—simply lacked credibility and merit, resulting in Judge Andrews finding Dragon’s position egregious as this was the second clearest case of prosecution history disclaimer and disavowal he had ever seen. Appx4404 (“I have only once seen a clearer case of prosecution disclaimer.”).

Dragon’s case then fell apart. In response to Judge Andrews’ order, Dragon voluntarily surrendered its infringement claim and stipulated to noninfringement, and its counsel withdrew from the case as attorneys of record. DISH and SXM therefore won in every possible respect. Thereafter, on appeal, DISH and SXM

¹ DISH and SXM are collectively referred to herein as “Appellants.”

successful defended the PTAB decision, resulting in this Court finding that their victory rendered the parallel appeal on claim construction moot. The district court subsequently vacated the stipulated finding of noninfringement.

Based on four years of defending against a meritless case, Appellants DISH and SXM moved for attorneys' fees under 35 U.S.C. § 285. In considering those motions, the district court found that despite *winning* on every issue, neither DISH nor SXM was a "prevailing party" under 35 U.S.C. § 285 because no specific judicial relief had been granted by the district court due to its vacatur of the judgment of noninfringement for mootness. This conclusion is wrong as a matter of law. The district court agreed that Appellants "achieved a victory" over Dragon, but nevertheless set forth a standard for "prevailing party" that demands that victory must come from the district court only, rather than from judicially recognized alternatives such as the *inter partes* review ("IPR") process and even this Court's mandate.

The district court's decision contradicts the simple statutory language, Congressional intent, Supreme Court and Federal Circuit precedent, and public policy. As has been clear since at least 1988, accused infringers who invalidate a patent or who stave off all pending infringement allegations and prevent a patent owner from asserting any future claim of infringement are prevailing parties. It makes no difference under this Court's precedent whether the invalidation comes

through the alternative of Patent Office post-grant review proceedings, such as an IPR, or from the district court judgment.

For the reasons explained more fully below, this Court must reverse.

II. JURISDICTIONAL STATEMENT

On April 27, 2016, the district court entered an order of final judgment in favor of DISH and SXM based on a stipulation of noninfringement. Appx0140; Appx0131-0139. On September 27, 2018, the court vacated the judgment of infringement as moot but retained jurisdiction “to resolve Defendants’ [fees] motions and deny Plaintiff’s request for dismissal.” Appx0011-0012. On November 7, 2018, the district court denied DISH’s and SXM’s motions for attorneys’ fees under 35 U.S.C § 285 and 28 U.S.C. § 1927. Appx0001-0004. Pursuant to Federal Rule of Appellate Procedure 4(a)(4) and Federal Rule of Civil Procedure 58(a), Appellants timely filed their notices of appeal on December 7, 2018. *See* D.I. 1. This Court has jurisdiction under 28 U.S.C. § 1295(a)(1).

This Court’s jurisdiction “turns on whether the district court issued a final decision.” *PPG Indus., Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (finding jurisdiction on appeal from order denying fees under § 285). “A ‘final decision’ generally is one which ends the litigation on the merits and leaves nothing for the court to do but execute the judgment.” *Id.* (quoting *Catlin v. United States*, 324 U.S. 229, 233 (1945) (citation omitted)). In *PPG*, this Court had jurisdiction when the district court decided the attorneys’ fees award on its merits and entered its final order on that issue. *Id.*

The district court here entered final judgment under Federal Rule of Civil Procedure 58, followed by an order denying attorneys' fees, and therefore this appeal is ripe for resolution. *See* Fed. R. App. Proc. 4(a)(4). In particular, the district court entered final judgment against Dragon on noninfringement, which Dragon appealed. Following dismissal of that appeal as moot in view of this Court's affirming invalidity, the district court also vacated the judgment of noninfringement as moot but retained jurisdiction over the case solely to decide DISH's and SXM's outstanding motions for attorneys' fees. Appx0011. As a result, upon denying fees, there was nothing left for the court to do but execute the judgment, making its order denying fees a final and appealable decision. *PPG*, 840 F.2d at 1567 ("Under these circumstances, the district court's order [denying fees] is a final decision over which we may exercise appellate review.").

III. STATEMENT OF THE ISSUES

1. Whether the district court erred as a matter of law in determining that defendants who prevailed on two grounds—by obtaining (1) a final judgment based on a stipulation of noninfringement, and (2) a final decision of unpatentability before the PTAB, which this Court affirmed—were not a “prevailing party” under 35 U.S.C. § 285 solely because the defendants obtained one form of relief in a different forum than the district court.

2. Whether fees awarded for “exceptional cases” under 35 U.S.C. § 285 may include fees incurred in related proceedings, including parallel post-grant proceedings under the AIA and appeals.

3. Whether fees for “exceptional cases” under 35 U.S.C. § 285 may be awarded against counsel of record as jointly and severally liable with a party.

IV. STATEMENT OF THE CASE

A. Dragon Sues DISH, SXM, and Eight Other Defendants

DISH offers pay-TV services under the DISH® and Sling® brands. DISH is the United States' fourth largest pay-TV provider. As of December 31, 2017, DISH had over 13 million pay-TV subscribers in the United States. DISH's ultimate parent, DISH Network Corporation, is a publicly traded company.²

SXM, also a publicly traded company, provides satellite radio services that broadcast over one hundred and thirty channels of entertainment content in the continental United States. Appx2669.

On December 20, 2013, appellee Dragon, represented by the California law firm of Freitas Angell & Weinberg LLP (now Freitas & Weinberg LLP), as well as attorneys Robert Freitas and Jason Angell (collectively, "Freitas"), filed suit against ten defendants, including DISH and SXM, alleging infringement of U.S. Patent No. 5,930,444 ("the '444 patent").³ *E.g.* Appx0050. Dragon is a non-practicing entity, organized under laws of Delaware. Appx0049.

² DISH Network Corporation, Annual Report (Form 10-K), at 1 (Feb. 21, 2018), available at <https://www.sec.gov/Archives/edgar/data/1001082/000155837018000826/dish-20171231x10k.htm>.

³ Dragon also sued Apple, Inc., AT&T Services, Inc., Charter Communications Inc., Comcast Cable Communications LLC, Cox Communications Inc., DirecTV LLC, Time Warner Cable Inc., and Verizon Communications Inc. in separate complaints.

1. The '444 Patent and Prosecution History Disclaimer

The application for the '444 patent was filed on April 28, 1994. Appx0034. The '444 patent addresses a particular way in which a video recorder, such as a digital video recorder (“DVR”), operates to record, pause, and play back video. *Id.* During prosecution, six separate office actions issued, each of which included rejections based on U.S. Patent No. 5,134,499 issued to Sata (“Sata”). Appx4404. Sata teaches a video recording device that “*continuously records* the video data concerning the television program of the channel tuned by the television tuner.” Appx4404 (emphasis added). The applicant responded to each of the Sata rejections by disclaiming “continuous recording” devices because the device claimed in the '444 patent does not begin and end recording until the user first actuates the record key to begin a recording and actuates again to end a recording. *Id.* The applicant also amended the claims to highlight that the actuation of the record key is a required claim element to begin and end recording. *Id.* Thereafter, the Patent Office allowed the claims.

2. The Accused Products

Despite this unequivocal disclaimer that its issued claims did not cover continuous recording, Dragon accused DISH’s DVR products and SXM’s radio receivers that “include the ability to ‘pause’ live satellite radio broadcasting” of infringing the '444 patent. Appx0152; Appx4798.

a. DISH's Products

The accused DISH DVR products record satellite broadcast TV shows for viewing by the user at a later time. Appx0152. They operate by using “continuous recording” (which Dragon had disclaimed) of any live broadcast program without user intervention. *Id.* In a feature that DISH calls “Auto Recording,” the DISH DVRs visibly initiate recording automatically and immediately upon turning on the system (to the last channel viewed) or upon user channel change. *Id.* This feature is described in DISH’s public user manuals and is readily apparent from operation. Appx0372; Appx0506.

This form of “continuous recording” had the advantage that the user did not have to press a separate RECORD key to initiate recording—exactly the operation disclaimed in the ’444 patent. Appx0152. Importantly, the user experience was better because it allowed a user to simply tune to a channel and recording began automatically. *Id.* If the user then decided to record or pause the show for later retrieval, the user could simply press a RECORD key, which merely *saved* the already recording show. Appx0508-0509. Critically, despite the name “RECORD,” the DVR is *always* recording the show being displayed; depressing the RECORD key merely “stores” the pointer and filename to allow later retrieval.

Beyond being described in publicly available user manuals, DISH’s DVR operation is readily observable as a typical user or subscriber. Appx0153. Detailed

technical analysis is not required to determine that DISH's accused products use the "continuous recording" feature disclaimed in the '444 patent. For example, any subscriber to the DISH service with an at-home DVR can simply make a channel change and then watch a show for up to an hour. Appx0584. After some period, as short as a few seconds to as long as an hour, the user can press the RECORD key. As described in the user manuals for DISH's DVRs, the recording of the show will begin at the point of the first channel change and not from the point the RECORD button is pressed. Appx0507. As is clear to any DISH user, recording is never initiated from the press of the RECORD key on any DISH DVR, as the '444 patent claims require. Appx0581-0586.

b. SXM's Products

The accused SXM products are satellite radio receivers that permit access to various SXM channels that are broadcast over the SXM satellite broadcast system. These receivers permit a user to pause live programming by storing content automatically through continuous recording and, therefore, never begin a recording upon the actuation of a record key nor begin time delay playback of a recording upon the actuation of a playback key as required under the '444 patent. Appx4798. This feature is described in publicly available user manuals. *See, e.g.*, Appx5123; Appx4800-4801.

These public user manuals explain that when a user tunes to a channel, the product “automatically begins storing the audio, enabling you to rewind at any time to replay the audio again.” Appx5123. If the channel is changed, the device then starts storing the broadcast content of that new channel and discards the content from the previous channel. Appx5125 (“When the Receiver is tuned to another channel, all audio stored in the Instant Replay memory is erased and the tuned channel begins to play.”). This form of “continuous recording” had the advantage that the user did not have to press a separate “record” key to initiate recording because the channel would automatically record upon tuning to the channel. These manuals also explain that these satellite radio receivers allowed the user to pause live programming by pressing the Play/Pause button for playback at a later time. By pressing the Play/Pause button, the device marks the position of the live broadcast at a specific point in time while the device continues to store the content as it had been doing from the point when the user had tuned to the channel (independent of the Play/Pause button). Appx4978; Appx5630; *see also* Appx4800-4801.

3. Appellants Notified Dragon That There Was No Reasonable Basis to Maintain the Case

As early as October 24, 2014 (for DISH) and December 15, 2014 (for SXM), Appellants respectively notified Dragon by letter that the accused products were “continuous recording” devices, and that there was no reasonable basis for its

infringement allegations against Appellants. Appx0581-0586; Appx4787-4791. Appellants made clear that any reasonable pre-suit investigation would have easily demonstrated that the accused devices could not infringe the plain language of the asserted claims. *Id.* Dragon failed to address the concerns Appellants raised in these letters, and instead ignored the express claim language in attempting to rewrite its infringement allegations and, in further responding to discovery requests, disregarding the functionalities of the accused products. Appx0581-0586; Appx5529-5530. Appellants again informed Dragon that their publicly available documentation, or alternatively, simple use of their products, would confirm noninfringement. Appx0740-0743; Appx4788. Appellants both requested that Dragon dismiss all claims against them and noted that they reserved their right to seek attorneys' fees under 35 U.S.C. § 285 based on the objectively unreasonable positions Dragon and its counsel were taking in the litigation. Appx0740-0743; Appx4787. Throughout the case, Appellants' sole contact with Dragon was its counsel, the attorneys at the Freitas Angell & Weinberg firm (now Freitas & Weinberg), including Robert Freitas and Jason Angell.

4. The Court's *Markman* Order Confirmed That the '444 Patent Disclaimed "Continuous Recording"

Appellants then fully briefed the claim-construction issues; however, the case as to DISH and SXM was stayed on April 10, 2015 pending the resolution of an IPR, which DISH had filed on December 23, 2014 and that SXM subsequently

joined. *See* Appx0023-0024 (Docket No. 78, 86); Appx2653-2656 (Docket No. 75, 82); Appx4479-4588; Appx0061-0062; Appx2685-2687.

On May 22, 2015, the district court proceeded with a consolidated claim-construction hearing as to the eight other defendants. The court agreed with Appellants' and the other defendants' position that the '444 patent disclaimed "continuous recording."⁴ In its *Markman* Order of September 9, 2015, the court held that, during the prosecution of the '444 patent when responding to the six separate rejections regarding the Sata reference, "applicants clearly and unequivocally disclaimed 'continuous recording' devices. ***I have only once seen a clearer case of prosecution disclaimer.***" Appx4404 (emphasis added) (citing *Vehicle Operation Techs. LLC v. Am. Honda Motor Co.*, 67 F. Supp. 3d 637, 650-51 & n.6 (D. Del. 2014) (finding that "no reasonable attorney or judge could conclude that the argument that there was no disclaimer of claim scope was anything but frivolous" and granting sanctions against attorneys)). Freitas then moved to withdraw as counsel for Dragon. Appx0111-0117; Appx0118-0121.

⁴ Though Appellants' case was stayed just prior to the claim construction hearing (*see infra* Section IV.B.1 and Appx0061; Appx2685-2687; Appx2653-2656), they did participate in all briefing with co-defendants. Appx0023-0024; Appx4479-4588. Judge Andrew's Memorandum Opinion on claim construction (Appx4395-4413) was entered in all the other cases. *See Dragon Intellectual Prop., LLC v. Apple, Inc.*, No. CV 13-2058-RGA, 2015 WL 5298938, at *1 (D. Del. Sept. 9, 2015). And that Memorandum Opinion was the basis of DISH's and SXM's Stipulation and Order of Non-Infringement (Appx0125-0126) as well as their motions to declare the case exceptional (*see* Appx0155; Appx4803).

5. Appellants Obtain a Stipulation of Noninfringement

Following the *Markman* Order, DISH, SXM, the other eight defendants and Dragon entered a stipulation on April 26, 2016 confirming noninfringement of the accused products. Appx0131-0139; Appx2712-2720. The district court entered judgment in favor of all the defendants, including DISH and SXM, the next day. Appx0140.

Thereafter, on August 24, 2016, DISH filed its motion to declare the case “exceptional” under 35 U.S.C. § 285. Appx0141. DISH sought fees against both the plaintiff, Dragon, and its counsel of record, Freitas, for failing to conduct an adequate pre-filing investigation and recklessly continuing an objectively baseless litigation in view of the clear prosecution history disclaimer. Appx0150-0151. SXM filed its motion to declare the case “exceptional,” also seeking fees against Dragon and its counsel of record on August 25, 2016. Appx2721-2723; Appx4809-4811.

In accordance with the district court’s order of noninfringement, Appx0137-0138, on July 14, 2016, DISH also propounded limited interrogatories and requests for production on Dragon. Appx0157 at n.8. The discovery requests sought information regarding Freitas’s conduct and control of the litigation, specifically concerning: (a) contingency agreements; (b) statements from Freitas to Dragon that the case was high risk or whether Dragon accepted the high risk; (c) statements

identifying Dragon's investors; and (d) statements regarding Dragon's ability to pay a judgment for fees and costs. Appx0811-0821; Appx0823-0832. Dragon and Freitas obstructed discovery into Freitas's role in this litigation by refusing to respond to these discovery requests. Appx0834-0837; Appx0839-0846.

B. Appellants Challenge the '444 Patent in IPR Proceeding

On December 23, 2014, after Dragon received and ignored Appellants' § 285 warning letters, and before the claim-construction hearing, DISH filed a petition for IPR before the PTAB under the America Invents Act ("AIA"), believing it to be the least expensive method then available for completely resolving the meritless dispute. Appx0155-0156.⁵ The PTAB instituted trial for claims 1-4, 7-10, 13 and 14 (which included all asserted claims) on July 17, 2015. Appx0156. On August 14, 2015, SXM filed an IPR seeking joinder with DISH. The PTAB granted joinder on January 8, 2016. Appx4795.

1. Appellants Secure a Stay of Litigation Pending IPR Review

During the oral arguments on the codefendants' collective request for a stay pending IPR, DISH's counsel explained that DISH viewed Dragon's infringement allegations as having no merit, that DISH had previously sent Dragon a letter explaining why this was an exceptional case under § 285, and that DISH had

⁵ Earlier in the case, Unified Patents filed an IPR petition challenging claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent before the PTAB. *Unified Patents Inc. v. Dragon Intellectual Property LLC*, IPR2014-01252, Paper 1 (PTAB Aug. 5, 2014).

moved forward with a cost-efficient IPR proceeding in lieu of district-court litigation. Appx0087. On April 10, 2015, the district court granted a stay of proceedings for DISH and SXM (who agreed to be bound by IPR estoppel) and proceeded with litigation as to the remaining defendants, who had not filed IPR petitions and did not agree to be bound by any estoppel. Appx0061; Appx2685-2687.

2. The PTAB Finds All Asserted Claims Unpatentable

The oral hearing for the IPR occurred on February 9, 2016 (six months after the district court's *Markman* Order),⁶ during which Dragon's counsel again took the position that the '444 patent claims were not directed to "continuous recording." See Appx0765, 21:1-6. On June 15, 2016, the PTAB issued a Final Written Decision for the IPR finding unpatentable claims 1-4, 7-10, 13 and 14. Appx0808.

C. The Previous Federal Circuit Appeals

Dragon appealed both the PTAB's Final Written Decision and the district court's judgment of noninfringement. On November 1, 2017, this Court issued decisions for both appeals. In the IPR appeal, this Court affirmed the PTAB's

⁶ On February 5, 2016, the PTAB issued a Final Written Decision for the Unified Patents IPR, finding unpatentable claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent. *Unified Patents Inc. v. Dragon Intellectual Prop. LLC*, IPR2014-01252, Paper 64 (PTAB Feb. 5, 2016).

finding that the claims were unpatentable as obvious. *Dragon Intellectual Prop., LLC v. DISH Network LLC*, 711 F. App'x 993, 998 (Fed. Cir. 2017) (nonprecedential). In the district court appeal, this Court dismissed as moot Dragon's appeal of the district court's final judgment of noninfringement, without disturbing the underlying judgment, in light of having affirmed invalidity in the IPR appeal. *Dragon Intellectual Prop., LLC v. Apple Inc.*, No. 2016-2186, slip op. at 3 (Fed. Cir. Nov. 1, 2017) (unpublished).⁷ Dragon petitioned for certiorari of the decision on noninfringement but ultimately withdrew its petition before any decision was made. This Court's mandates issued on December 8, 2017 (invalidity) and February 7, 2018 (noninfringement). Appx5532; Appx4217-Appx4224; Appx2476-2483.

D. Following Appeal, the District Court Vacated Its Final Judgment and Denied Appellants' Motions for Attorneys' Fees under Section 285

Following this Court's decisions, on September 27, 2018, the district court granted-in-part and denied-in-part Dragon's motion to vacate the court's noninfringement judgment and dismiss the case as moot. Appx0005-0012. The court determined that vacatur was warranted because the invalidity affirmance mooted the controversy before the noninfringement judgment received appellate

⁷ For the same reason, this Court also dismissed as moot Dragon's appeal of the Unified Patents Final Written Decision. *Dragon Intellectual Prop., LLC v. Unified Patents, Inc.*, 699 F. App'x 942 (Fed. Cir. 2017) (nonprecedential).

review. Appx0009-0010. The court, however, retained jurisdiction over the case solely to decide the defendants' still-pending motions for attorneys' fees (filed two years earlier, on August 24, 2016). Appx0011.

Several weeks later, the district court denied Appellants' motions for § 285 fees, finding that neither DISH nor SXM was a "prevailing party" under the statute. Appx0001-0004. In determining the meaning of "prevailing party" under § 285, the court cited and applied a portion of the Supreme Court's decision in *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep't of Health & Human Res.*, 532 U.S. 598 (2001), stating that a party who is "awarded some relief by the court" prevails. Appx0002. The court, however, did not cite to the later Supreme Court decision in *CRST Van Expedited Inc. v. EEOC*, 136 S. Ct. 1646, 1651-52 (2016), which modified *Buckhannon* by holding that relief on the merits was not required. Noting that it had vacated its previous judgment of noninfringement, the district court found that, under *Buckhannon*, "I have not awarded 'actual relief on the merits' and [DISH and SXM] are not prevailing parties." Appx0002.

Nevertheless, the court did acknowledge that Appellants "achieve[d] a victory over Plaintiff." *Id.* at n.1. It pointed out, however, that Appellants' "victory" came from the PTAB and "did not play a role in any judgment issued by this Court." *Id.* Accordingly, the court found that Appellants did not prevail

because “[s]uccess in a different forum is not a basis for an award of attorneys’ fees by this Court.” *Id.* (emphasis added).

The court also denied Appellants’ request for attorneys’ fees under 28 U.S.C. § 1927. Section 1927 limits fee awards to instances where a party’s attorney has, *inter alia*, multiplied proceedings during the litigation. Appx0002 (citing *LaSalle Nat. Bank v. First Conn. Holding Grp., LLC.*, 287 F.3d 279, 288 (3d Cir. 2002)). Although the court again pointed out that the prosecution history disclaimer was “among the clearest I have seen during my time on the bench,” Appx0003, it held that Appellants failed to establish that Freitas’s behavior multiplied and prolonged the proceedings. *Id.* The court concluded that Dragon’s and Freitas’s claim-construction filings, which contradicted its PTAB filings, were “objectively bad form” but did not cause the proceedings to multiply. Appx0003-0004. The court, however, explained that “although Defendants identify behavior that *I might properly have sanctioned under Section 285*, the allegations do not meet the standard for a Section 1927 fees award.” Appx0004 (emphasis added).

Appellants timely appealed from the court’s final decision denying fees.

V. SUMMARY OF THE ARGUMENT

DISH and SXM are prevailing parties under § 285. The plain language of the statute does not inhibit that determination based on which judicial forum awarded the ultimate relief. Doing so improperly narrows the broad statutory language, legislative intent, and the Supreme Court’s command. Rather, “prevailing party” requires only a “material alteration of the legal relationship of the parties.” This Court has made clear since at least 1988 that invalidating a patent materially alters the legal relationship of the parties, making the accused infringer a prevailing party. *PPG*, 840 F.2d at 1567. Obtaining final judgment of noninfringement before any intervening act of mootness also satisfies the prevailing party requirement. Appellants thus achieved two victories here, either of which satisfies the “prevailing party” inquiry under § 285.

This Court should also resolve two outstanding legal questions that the parties fully briefed below. *First*, the Court should clarify that, in determining § 285 fee awards, district courts have discretion to determine whether fees incurred for ancillary proceedings, such as PTAB actions or Federal Circuit appeals, are eligible for inclusion. This Court has already approved of awarding fees incurred in reexaminations and reissues when those proceedings are effective substitutes for litigation. The same should hold true for parallel AIA proceedings, such as Appellants’ IPR.

Second, the Court should clarify that district courts also have discretion to assess § 285 fees against attorneys as jointly and severally liable with the parties they represent, when the circumstances so warrant. The language of § 285 is entirely silent as to who must pay an award of attorneys’ fees. With similarly “silent rules” (Federal Rule of Appellate Procedure 38, for example), courts routinely approve of assessing fees against the party, the attorneys, or both where appropriate. This Court has awarded fees under Rule 38 against attorneys before. *See Phonometrics, Inc. v. Westin Hotel Co.* (“*Phonometrics I*”), 319 F.3d 1328, 1332-33 (Fed. Cir. 2003). Although not all attorneys should be liable, those that have a significant financial stake in the outcome of litigation—*i.e.*, those acting in a “quasi-party” capacity by representing insolvent non-practicing entities on a contingency-fee basis—and who engage in exceptional conduct should not escape liability. Permitting such awards creates a powerful deterrent effect, which is necessary to give § 285 any teeth when facing such situations.

VI. ARGUMENT

A. Standard of Review

This Court reviews the meaning of the term “prevailing party” in § 285 *de novo*. *Inland Steel Co. v. LTV Steel Co.*, 364 F.3d 1318, 1320 (Fed. Cir. 2004), *abrogated-in-part on other grounds by Raniere v. Microsoft Corp.*, 887 F.3d 1298 (Fed. Cir. 2018); *Waner v. Ford Motor Co.*, 331 F.3d 851, 857 (Fed. Cir. 2003). The Court applies its own law to define “prevailing party” for patent litigation. *Inland Steel*, 364 F.3d at 1320 (quoting *Manildra Milling Corp. v. Ogilvie Mills, Inc.*, 76 F.3d 1178, 1181 (Fed. Cir. 1996)). This Court also reviews the scope of § 285 *de novo*, applying its own law. *Waner*, 331 F.3d at 857 (“We review *de novo* whether the district court applied the proper legal standard under 35 U.S.C. § 285 . . .”).

B. The District Court Erred as a Matter of Law in Determining that Neither Appellant Was a “Prevailing Party” under Section 285

The district court denied Appellants’ motions for fees on the sole basis that neither DISH nor SXM was a “prevailing party” because the district court itself “ha[d] not awarded ‘actual relief on the merits.’” Appx0002. This is incorrect as a matter of law for a number of reasons.

First, the district court read extra-statutory requirements into the plain language of § 285. Doing so contravenes not only the ordinary meaning of the statute, but also the Supreme Court’s directives, Congress’s intent, and this Court’s

precedent. *Second*, the court’s interpretation of “prevailing party” is directly at odds with the Supreme Court’s and this Court’s prior interpretations. *Third*, the district court fatally relied on case law that has since been modified by the Supreme Court’s decision in *CRST*. *Finally*, the district court’s interpretation of “prevailing party” defeats the purpose of § 285 and would create a rule that is inconsistent with public policy.

1. The Statutory Language Governing “Prevailing Party” Is Broad and Does Not Impose Undue Restrictions on What It Means to Prevail

Statutory construction “begins with the language of the statute.” *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 438 (1999) (citation omitted). “In construing a statute or regulation, [the Court] begin[s] by inspecting its language for plain meaning.” *Meeks v. West*, 216 F.3d 1363, 1366 (Fed. Cir. 2000) (citation omitted). Absent a definition of a term, courts must give the words their “ordinary, contemporary, common meaning.” *Williams v. Taylor*, 529 U.S. 420, 421 (2000).

The Supreme Court has recently had occasion to visit the meaning of § 285. Because § 285 is broad and unrestricted, the Supreme Court stated that its “analysis begins and ends with the text of § 285.” *See Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 553 (2014). Section 285 states in a single sentence that “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.” 35 U.S.C. § 285. Confirming that the

statutory text of § 285 is “patently clear,” the Supreme Court held that it “imposes *one and only one constraint* on district courts’ discretion to award attorney’s fees in patent litigation,” *i.e.*, that the case be exceptional. *Octane Fitness*, 572 U.S. at 553 (emphasis added). Under that standard, nothing in the language of the statute restricts or limits a court to considering only relief granted on the merits by that court. The statute does not demand such a requirement, and *Octane Fitness* struck down similar court-imposed limitations on § 285. *See id.*

Rather, as noted in *Octane Fitness*, both § 285 and its predecessor statute, 35 U.S.C. § 70 (1946), were intended to provide district courts with discretion “to address ‘unfairness or bad faith in the conduct of the losing party, or some other equitable consideration of similar force,’ which made a case so unusual as to warrant fee-shifting,” such as “vexatious or unjustified litigation.” *Octane Fitness*, 572 U.S. at 549 (citation and quotation omitted). The legislative history of § 70 explains that one of the purposes of allowing defendants to collect attorneys’ fees was “to enable the courts to prevent a gross injustice to an alleged infringer.” S. Rep. No. 79-1503, at 2 (1946). The Senate Report also notes that allowing attorneys’ fees “is made discretionary with the court.” *Id.* And the legislative history for § 285 merely reinforces that the current statute has the same meaning as its predecessor. S. Rep. No. 82-1979, at 30 (1952).

Moreover, *Octane Fitness* properly removed restrictions on the types of “exceptional” cases that may justify an award of fees and reinforced that the § 285 determination involves a “holistic, equitable approach” considering the “totality of the circumstances.” 572 U.S. at 550, 554. Consequently, the relevant legislative history confirms that § 285 aims to deter exceptional conduct as determined by a court within its sound discretion. Nothing in the legislative history suggests that Congress intended to curb a court’s discretion in deterring litigation abuses when a victory stems from a related panel proceeding before the PTAB, such as Appellants’ IPR here.

The district court’s ruling incorrectly injects added requirements into § 285 that cannot be reconciled with the statute, the legislative history, or *Octane Fitness*, and must be reversed.

2. The Supreme Court’s Interpretation of “Prevailing Party” in Similar Fee-Shifting Statutes Requires Only a “Material Alteration of the Legal Relationship of the Parties”

The district court’s interpretation of the meaning of “prevailing party” in § 285 is also inconsistent with the Supreme Court’s prior interpretations of similar fee-shifting statutes. It is well-settled that Congress’s use of “prevailing party” in fee-shifting statutes should be interpreted consistently across those statutes. *See CRST*, 136 S. Ct. at 1646; *see also Buckhannon*, 532 U.S. at 602 (“Congress[] . . . has authorized the award of attorney’s fees to the ‘prevailing

party’ in numerous statutes in addition to those at issue here”); *Raniere*, 887 F.3d at 1306-07 (interpreting § 285 consistent with *CRST* even though *CRST* involved a different statute).

The Supreme Court has recently clarified that “the touchstone of prevailing party inquiry must be the material alteration of the legal relationship of the parties.” *CRST*, 136 S. Ct. at 1646 (citation omitted). Thus, the Supreme Court interprets “prevailing party” without regard to *who* or *which* tribunal affords the relief—only *some* material alteration need exist.

This Court, applying the Supreme Court’s interpretation of “prevailing party,” has long held that “prevailing party” under § 285 requires only “*some* judicial action that changes the legal relationship between the parties on the merits of the claim.” *Akers v. Nicholson*, 409 F.3d 1356, 1359 (Fed. Cir. 2005) (emphasis added); *see also Rice Servs. Ltd v. United States*, 405 F.3d 1017, 1026 (Fed. Cir. 2005) (“[Prevailing party] threshold requires [a party] to have obtained a court order carrying sufficient ‘judicial imprimatur’ to materially change the legal relationship of the parties.”), *abrogated-in-part on other grounds by Raniere v. Microsoft Corp.*, 887 F.3d 1298 (Fed. Cir. 2018).

Consequently, this Court’s decisions have recognized that only “some” judicial action, “some” judicial imprimatur, or “a court order” that is “tantamount to” (though not necessarily qualifying as) a favorable judgment are examples that

materially alter the parties' legal relationship. Nothing in this background requires that "some judicial relief" must emanate from the same court addressing a § 285 fee motion. The prevailing-party inquiry under § 285 therefore does not demand this higher level of "judicial imprimatur" that the district court imposed—that is, the victory by the prevailing party need not be from the same tribunal that determines the fee award.

Recently, the Supreme Court further relaxed the requirements on establishing what constitutes a "prevailing party" for defendants. In *CRST*, the Court held that a defendant need not obtain relief on the merits to prevail. *CRST*, 136 S. Ct. at 1646, 1651 (reversing when lower court denied fees because dismissal of case was based on failure to satisfy pre-suit prerequisites: "The Court now holds that a favorable ruling on the merits is not a necessary predicate to find that a defendant has prevailed."); *see also Winters v. Wilkie*, 898 F.3d 1377, 1381 (Fed. Cir. 2018) ("[*CRST*] explained that while a plaintiff 'seeks a material alteration in the legal relationship between the parties' and must achieve such an alteration to prevail, the defendant merely 'seeks to prevent this alteration' and thus prevails 'whenever the plaintiff's challenge is rebuffed.'").

To the extent that it is argued that the Supreme Court's decision in *Buckhannon* suggested that relief on the merits was required, *e.g.*, *Buckhannon*, 532 U.S. at 604, *CRST* specifically rejected such a requirement, and the district

court therefore erred as a matter of law. *See Raniere*, 887 F.3d at 1306 (noting that *CRST* clarified *Buckhannon*). Notably, the district court did not rely upon the clarification of *CRST* from the Supreme Court and relied solely on *Buckhannon* in determining that it “ha[d] not awarded ‘actual relief on the merits.’” Appx0002 (citing only *Buckhannon*). Accordingly, contrary to the district court’s decision, for Appellants to prevail, they need only rebuff Dragon’s claim of infringement. *See CRST*, 136 S. Ct. at 1651 (“Common sense undermines the notion that a defendant cannot ‘prevail’ unless the relevant disposition is on the merits,” and “[t]he defendant may prevail even if the court’s final judgment rejects the plaintiff’s claim for a nonmerits reason.”).

This Court has since applied *CRST* to § 285 fees. *Raniere*, 887 F.3d at 1306; *see also Robinson v. O’Rourke*, 891 F.3d 976, 981 (Fed. Cir. 2018) (“In [*Raniere*], we explained that, although a judgment on the merits is *sufficient* to confer prevailing-party status, it is not necessary.”). The court’s failure to apply *CRST* here constitutes reversible error.

3. Appellants Prevailed in This Case on Two Independent Grounds, Either of Which Makes DISH and SXM Prevailing Parties

In the present case, DISH and SXM prevailed in every sense of the word. They first obtained a stipulation of noninfringement based on the district court’s claim-construction order, admitting that no infringement was possible in view of that construction, which was consistent with Dragon’s prosecution disclaimer. The

district court then entered final judgment of noninfringement against Dragon. They also availed themselves of the IPR process as a substitute for litigating invalidity at the district court and succeeded in rendering every asserted claim unpatentable. On appeal, this Court affirmed Appellants' invalidity victory over Dragon, finding the asserted claims invalid and then dismissing the noninfringement appeal as moot in view of that finding. Dragon is now estopped from maintaining its infringement claim against Appellants, in the pending litigation or in any future litigation. There can be no greater victory for accused infringers and no doubt that the legal relationship substantially changed.

a. Appellants prevailed when this Court affirmed the PTAB's final decision rendering the asserted claims unpatentable

In view of these victories, the district court clearly erred in denying Appellants' § 285 motions. By first vacating the judgment and stipulation of no infringement, the court ignored Appellants' victory in a different forum (the PTAB and then this Court) and focused solely on the lower court's relief. Appx0002 ("Success in a different forum is not a basis for an award of attorneys' fees by this Court.").

The district court itself recognized that Appellants *won* in the IPR forum, which alone should establish DISH and SXM each as a prevailing party. As this Court has long held, "as a matter of law, a party who has a competitor's patent declared invalid meets the definition of 'prevailing party.'" *Manildra*, 76 F.3d at

1183. *Manildra*'s holding turned on "the unique nature of the relationships engendered by patent law," including a patentee's right to exclude. *Id.* According to this Court, "[a] judicial declaration that one is free from another's right to exclude alters the legal relationship between the parties:"

The patentee no longer can enforce his patent against the would-be infringer litigant, or any other would-be infringer. The freedom to practice an invention without fear of suit by the patentee is a valuable commercial benefit. By removing the potential threat of the patentee instituting an infringement action, the competitor necessarily alters the patentee's subsequent behavior to his benefit.

Id. (citing *Blonder-Tongue Lab., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 349-50 (1971)). When this Court affirmed the PTAB decision, Appellants obtained a judicial declaration freeing them from Dragon's exclusionary patent rights.

The rule, however, adopted by the district court is inconsistent with this Court's and the Supreme Court's longstanding precedent. Here, the district court required not only "actual relief on the merits" but also relief from the same court in the underlying suit. Neither prerequisite is required. Demanding actual relief on the merits runs afoul of the Supreme Court's directive in *CRST* and this Court's application of that directive for § 285. *See Raniere*, 887 F.3d at 1306 ("We hold *CRST* applies to our analysis of prevailing-party status under § 285, and that defendants need not prevail on the merits to be classified as a 'prevailing party.'").

The district court's narrow focus on the actual relief it granted is also irreconcilable with this Court's precedent on that identical issue, on which the

district court did not rely. Rather, this Court has found a defendant to have prevailed under § 285 after it successfully invalidates the asserted claims in a parallel post-grant proceeding. *Inland Steel*, 364 F.3d at 1320 (finding defendant prevailed and awarding § 285 fees following invalidation of asserted claims in *ex parte* reexamination after reexamination decision affirmed on appeal); *PPG*, 840 F.2d at 1567 (finding defendant prevailed and should be awarded § 285 fees following reissue resulting in cancellation of patent).

In granting fees for IPR victories, district courts find that the defendant is a prevailing party. *See, e.g., Rothschild Mobile Innovations, LLC v. Mitek Sys., Inc.*, C.A. No. 14-617-GMS, 2018 WL 3599359, at *3 (D. Del. July 27, 2018) (noting defendant was a “prevailing party” under § 285 after PTAB found all asserted claims unpatentable where parties did not dispute that defendant prevailed); *Howmedica Osteonics Corp. v. Zimmer, Inc.*, No. 05-897 (WHW) (CLW), 2018 WL 2378406, at *3 (D.N.J. May 23, 2018) (granting § 285 fees to defendant after district court invalidated three of four patents and this Court affirmed PTAB’s invalidation of fourth patent and parties did not dispute that defendant prevailed); *Hopkins Mfg. Corp. v. Cequent Performance Prod., Inc.*, 223 F. Supp. 3d 1194, 1203 (D. Kan. 2016) (allowing defendant to pursue § 285 fees and finding it prevailed by obtaining adverse judgment in IPR cancelling claims); *Credit Card Fraud Control Corp. v. Maxmind, Inc.*, No. 3:14-CV-3262-M, 2016 WL 3355163,

at *1 (N.D. Tex. Apr. 7, 2016) (holding that “it is undisputed that Defendant is the prevailing party” when PTAB cancelled claims); *Deep Sky Software, Inc. v. Sw. Airlines Co.*, No. 10-CV1234-CAB (KSC), 2015 WL 11202634, at *3 (S.D. Cal. June 1, 2015) (noting that prevailing party was undisputed when PTAB found claims unpatentable).

This Court has done so as well. In *Inland Steel*, for example, the accused infringer sought *ex parte* reexamination of the asserted patent, which effectively stayed the litigation. *Inland Steel*, 364 F.3d at 1320. The Patent Office found the challenged claims invalid, and this Court affirmed. *Id.* at 1319; *see also In re Inland Steel Co.*, 265 F.3d 1354 (Fed. Cir. 2001). That Federal Circuit decision—affirming the Patent Office’s invalidity determination—constituted “relief on the merits which alters the legal relationship of the parties” for purposes of fees. *Inland Steel*, 364 F.3d at 1320.

So even applying pre-*CRST* law on the meaning of “prevailing party,” the district court here legally erred: this Court’s decision on invalidity *did* constitute “actual relief on the merits” for Appellants. *See id.* A final determination on invalidity is “tantamount to a decision on the merits,” which is sufficient to establish DISH and SXM as prevailing parties. *Cf. Ranieri*, 887 F.3d at 1303, 1307; *see also Inland Steel*, 364 F.3d at 1320. Indeed, this Court held in *Inland Steel* that the accused infringer “is a prevailing party on a claim adjudicated by the

district court, *even though it initially prevailed on the issue of invalidity in a different forum.*” 364 F.3d at 1320 (emphasis added). The district court here failed to rely on *Inland Steel*, which is controlling. See Appx0002-0004. Demanding Appellants succeed in district court, instead of prevailing before the PTAB and this Court while the litigation was stayed, is antithetical to *Inland Steel*.

Moreover, the court failed to explain why achieving success in a different forum is contrary to the language of § 285, its legislative history, or any public policy. Quite the opposite: Appellants’ success before the PTAB essentially resolved Dragon’s complaint in the district court in Appellants’ favor. “[W]hen a claim is cancelled, the patentee *loses any cause of action based on that claim*, and any pending litigation in which the claims are asserted becomes moot.” *Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 721 F.3d 1330, 1340 (Fed. Cir. 2013) (emphasis added).

Under that reasoning, this case is simple. Dragon lost, and Appellants won. Dragon can no longer maintain its cause of action against DISH or SXM. In fact, this Court’s affirmance of an IPR decision invalidating claims “renders final a judgment on the invalidity of [such patent], and has an immediate issue-preclusive effect on any pending or co-pending actions involving the patent.” *XY LLC v. Trans Ova*, 890 F.3d 1282, 1294 (Fed. Cir. 2018). As a result, this Court’s affirmance of the PTAB is a final judgment—an adjudication on the merits—in

favor of Appellants. *Cf. Fresenius*, 721 F.3d at 1341-44 (discussing finality of judgments).

Here, the district court was bound to give effect to the final PTAB decision, that this Court affirmed, in the pending litigation. *See id.* at 1344-46. Since “there is no basis for distinguishing between the effects of a final, affirmed court decision determining invalidity and a final, affirmed PTO decision determining invalidity on a pending litigation,” the district court was bound to apply this Court’s final judgment in determining that Appellants prevailed. *See id.* at 1344. Unlike in *Buckhannon*, where the case was rendered moot by an intervening legislative change in the law, the relief here rendered by the PTAB and this Court was on the merits. *See Buckhannon*, 532 U.S. at 601.

Further, by estopping Dragon from pursuing infringement, this Court’s invalidity determination materially altered the legal relationship between the parties. Dragon lost not only the ability to move forward on the pending DISH and SXM litigations but also lost any ability to bring a future suit against either of them for infringement of this invalid patent. Claim preclusion prevents defendants, like DISH and SXM, from having to “defend[] a suit for infringement of an adjudged invalid patent.” *XY*, 890 F.3d at 1294. This Court applied that principle in *Inland Steel*, recognizing that “[a]n indication of [defendant’s] status as a prevailing party is that the judgment it obtained in this case would have res judicata effect as to any

claim brought against USX in the future with respect to the patent claims that were at issue in the district court case.” 364 F.3d at 1320. The same holds true here.

As a result, Appellants did not “[leave] the courthouse emptyhanded”—they obtained a final and preclusive decision on invalidity that prevents Dragon from litigating this patent against Appellants, either now or in the future. *Cf. Buckhannon*, 532 U.S. at 613-14 (Scalia, J., concurring).

For the same reasons as in *Inland Steel*, this Court’s final invalidity determination materially altered the parties’ legal relationship under *CRST*, and even *Buckhannon*, and therefore, Appellants are prevailing parties.

b. Appellants also prevailed when they obtained final judgment of noninfringement, regardless of the district court’s later vacatur of that judgment

Not only did Appellants prevail on invalidity, they also advocated for a claim-construction position consistent with Dragon’s prosecution history that, when adopted by the district court, resulted in a final judgment of noninfringement through Dragon’s stipulation that Appellants did not infringe. In issuing its *Markman* Order, the district court agreed with Appellants’ position, which was ultimately championed by the eight non-stayed defendants, that Dragon “clearly and unequivocally disclaimed ‘continuous recording’ devices.” Appx4404. In its order, the court remarked that “*I have only once seen a clearer case of prosecution disclaimer.*” *Id.* (emphasis added). That single previous instance

warranted Rule 11 sanctions and § 285 fees. *Vehicle Operation*, 67 F. Supp. 3d at 650-51 & n.6 (finding that “no reasonable attorney or judge could conclude that the argument that there was no disclaimer of claim scope was anything but frivolous” and granting Rule 11 sanctions against attorneys); *Vehicle Operation Techs. LLC v. Ford Motor Co.*, No. CV 13-539-RGA, 2015 WL 4036171, at *3 (D. Del. July 1, 2015) (finding case exceptional under § 285 because plaintiff’s claim construction “was frivolous and objectively unreasonable” and, thus, “entire litigation was unreasonable”).

Here, the disclaimer argument advocated by all the defendants forced Dragon to capitulate. Dragon stipulated to noninfringement, and hence, the district court entered judgment in favor of Appellants. That makes DISH and SXM prevailing parties. On appeal, this Court did not disturb that judgment. *Cf. Fresenius*, 721 F.3d at 1341-42 (noting instances where appellate decision set aside district court’s judgment or remanded due to unresolved issues relating to damages when defendant found liable); *Translogic Tech., Inc. v. Hitachi, Ltd.*, 250 F. App’x 988 (Fed. Cir. 2007) (nonprecedential) (vacating district court’s decision and remanding with instructions to dismiss when Court affirmed Patent Office’s final decision of invalidity). The Court here merely dismissed Dragon’s *appeal* as moot when it found the claims invalid. In other words, the appeal was dismissed (which did not touch the underlying district-court judgment) because Appellants had

already prevailed on invalidity. This is still the “stuff of which legal victories are made.” *Cf. Hewitt v. Helms*, 482 U.S. 755, 760 (1987).

When the case returned to the district court following appeal, Appellants remained prevailing parties. In fact, DISH and SXM were now victors on *two* fronts, having secured a final judgment of noninfringement and a final judgment of invalidity. The district court entertained only two further issues: (1) Dragon’s motion for vacatur of the judgment of noninfringement for mootness and dismissal without prejudice; and (2) the defendants’ already-pending motions for attorneys’ fees.

Although the court vacated the judgment for intervening mootness, vacatur is irrelevant for the prevailing-party analysis under these circumstances. DISH and SXM became prevailing parties *before* the intervening act of mootness. *See Diffenderfer v. Gomez-Colon*, 587 F.3d 445, 453 (1st Cir. 2009) (“[I]n the mootness context, a ‘prevailing party’ is a party who managed to obtain a favorable, material alteration in the legal relationship between the parties prior to the intervening act of mootness.”) (citing *Buckhannon*, 532 U.S. at 605). Mootness, in this instance, does not eliminate the victory. And Appellants’ noninfringement victory need not be affirmed on appeal; rather, the prevailing party question considers only what relief was granted. *See Diffenderfer*, 587 F.3d at 453. Here, the district court granted Appellants final judgment of noninfringement. An

adjudication for accused infringers “can rise no higher than this.” *Raniere*, 887 F.3d at 1308.

Along those lines, it is also not required that the district court leave its judgment in place for Appellants to prevail because a decision on the merits is not required. *Id.* at 1306-07 (“Even if the district court’s decision to dismiss with prejudice for lack of standing is not based on the substantive merits of a plaintiff’s case, *CRST* makes clear that a merits decision is not required.”). Accused infringers who expend time and resources in effectively preventing a patent owner from achieving victory may still prevail under § 285:

Appellees spent significant time and resources to prevail in this action, as reflected by their request for attorney fees and costs. And here, Appellees “won” through the court’s dismissal of Raniere’s case with prejudice—they prevented Raniere from achieving a material alteration of the relationship between them, based on a decision marked by “judicial imprimatur.” Appellees received all relief to which they were entitled. The district court’s findings entitle Appellees to a finding that they have prevailed in this litigation, such that an award of attorney fees would be appropriate.”

Id. (citation omitted).

For these reasons, Appellants are prevailing parties

c. Clarifying that Appellants prevailed gives effect to the statute’s underlying purpose and public policy interests.

Not equating DISH or SXM with a prevailing party here undermines the statute’s purpose. *See Diffenderfer*, 587 F.3d at 455 (in considering similar fee-shifting statutes: “[t]o hold that mootness of a case pending appeal inherently

deprives [parties] of their status as ‘prevailing parties’ would detract from [the statute’s] purposes”). One of the purposes of § 285 is to deter exceptional conduct, such as maintaining an “unjustified litigation” position. *Octane Fitness*, 572 U.S. at 549; S. Rep. No. 79-1503, at 2 (1946). Holding that Appellants did not prevail elevates form over substance.

In particular, accused infringers do not have to prevail on every issue to obtain attorneys’ fees. *See Fox v. Vice*, 563 U.S. 826, 834 (2011). Here, the noninfringement judgment became moot *solely* due to Appellants also prevailing on invalidity. An invalidity judgment should not erase liability for fees, even if it renders a party not liable for infringement. Allowing mootness of a controversy to wholly abolish a defendant’s victory would encourage the litigation of unreasonable or groundless claims. It would force defendants to avoid dismissal and final resolution of a case, and instead proceed through litigation to trial on claims already found to be invalid. *Cf. Highway Equip. Co. v. FEEO, Ltd.*, 469 F.3d 1027, 1035 (Fed. Cir. 2006) (“Such a holding would imply that the only way for a defendant to obtain a disposition on the merits would be to oppose a dismissal and proceed to litigation on the merits, and would encourage the litigation of unreasonable or groundless claims.”).

Such an approach would defeat the very purpose of § 285 and is not a reasonable construction of the statute. Indeed, if seeking parallel PTAB review

prevents a defendant from recovering fees, defendants fighting against egregious litigation behavior may become discouraged from invoking the AIA process altogether. This thwarts Congress's objective in enacting the AIA and IPR proceedings as cost-effective substitutes for litigation. *Cf. PPC Broadband, Inc. v. Corning Optical Commc'ns RF, LLC*, 815 F.3d 734, 740-41 (Fed. Cir. 2016) (noting that "Congress intended [IPRs] to provide 'quick and cost effective alternatives' to litigation in the courts") (citing H.R. Rep. No. 112-98, pt. 1, at 40, 48 (2011)).

Appellants' interpretation of "prevailing party" here also serves important public policy interests. DISH and SXM prevailed by achieving a final determination of invalidity through the oft-used and congressionally sanctioned AIA post-grant review process. Holding that they prevailed by virtue of an AIA-sanctioned invalidation is necessary to promote national uniformity on the meaning of prevailing party in patent litigation with parallel AIA proceedings. *See Manildra*, 76 F.3d at 1181. Without reversal here, this Court would condone district courts determining "prevailing party" status inconsistently in identical scenarios.

For example, the Delaware court's decision here is at odds with judges in its own district and with other district courts, *see supra* Section VI.B.3.a. This demonstrates that, under the current regime, a defendant may prevail in one district

but not another, such as Delaware, when situated identically. *See Manildra*, 76 F.3d at 1181 (“If we leave to each regional circuit the task of defining when a party in a patent case has prevailed, a party such as Manildra may be eligible for costs in one circuit but not another.”). Such a ruling would allow plaintiffs and attorneys, like Dragon and Freitas, to escape liability for bringing exceptional cases by choosing friendlier forums on § 285. This Court should clarify that defendants prevail by achieving victory in parallel AIA proceedings, as it has already determined for reexaminations (*Inland Steel*) and reissues (*PPG*). *See Manildra*, 76 F.3d at 1181 (holding that “a single definition [of prevailing party] will promote uniformity” and make “eligibility for costs . . . uniform nationwide”).

C. This Court Should Determine the Proper Scope and Application of Section 285 Fees

In the briefing on Appellants’ fees motion, DISH and SXM requested that the district court award fees incurred in the PTAB proceedings in addition to those incurred before the district court, and that it jointly and severally assess the fees against Dragon’s attorneys, Freitas. The district court did not reach these issues based on its predicate determination that Appellants did not prevail. Nevertheless, this Court should decide these issues now. Both present pure questions of law that were fully briefed to the district court. This Court can and should exercise its discretion and decide these legal questions without remand.

First, the Court should clarify that district courts have discretion under § 285 to award attorneys' fees incurred in parallel PTAB proceedings and Federal Circuit appeals, in addition to the underlying litigation. IPRs operate as a substitute for litigation, especially when the case is stayed pending PTAB review, and are therefore necessary and related to the lawsuit. This Court has long awarded fees for pre-AIA post-grant proceedings and appeals as necessary ancillary proceedings, and AIA proceedings should be treated no differently.

Second, the Court should clarify that district courts also have discretion under § 285 to assess fees against attorneys, in addition to the named party, if the circumstances so warrant. Section 285's underlying purpose is deterrence, and nothing in the statute prohibits a district court from exercising its discretion and awarding fees against counsel, as jointly and severally liable with a party, to deter sanctionable conduct. Another rule, that is likewise silent on the permissibility of fees against counsel, is routinely used to find attorneys liable. Such discretion is squarely within the district court's authority under the statute.

To be clear, in neither instance is this Court asked here to find exceptionality, to determine the fee award, or to find that Freitas should be held liable for those fees. Those fact-bound determinations are properly for the district court, who is the most familiar with the record and the exceptional and sanctionable conduct in this case, to decide in the first instance. Indeed, the district

court here foreshadowed that it “might have properly sanctioned under Section 285” Dragon’s and Freitas’s behavior. Appx0004. It is for the district court on remand to decide whether exceptionality has been found and the fee award. The legal question, however, of the availability of and liability for such fees under a district court’s § 285 discretionary power was fully briefed below and is ripe for resolution now.

1. Appellants Raise Two Purely Legal Issues That the Parties’ Fully Briefed Below, Which Should Be Resolved Now to Prevent Judicial Inefficiency

Although a federal appellate court generally does not entertain an issue not passed upon below, doing so is entirely within this Court’s discretion. *Singleton v. Wulff*, 428 U.S. 106, 120-21 (1976); *cf. Chen v. Ashcroft*, 378 F.3d 1081, 1088 (9th Cir. 2004) (“When confronted with a novel legal issue, we could decide the case based on application of law to the facts.”). The Federal Circuit has found this appropriate when the issue on appeal is purely legal and properly developed on appeal. *See, e.g., Wavetronix LLC v. EIS Elec. Integrated Sys.*, 573 F.3d 1343, 1355 (Fed. Cir. 2009) (construing claim not construed by trial court when, *inter alia*, record was sufficiently developed to prevent prejudice); *Fireman’s Fund Ins. Co. v. United States*, 909 F.2d 495, 499 (Fed. Cir. 1990) (deciding issue not passed on below when “issue is purely legal and fairly straightforward, and the appellate record on it is complete,” “remand would serve no useful purpose,” and decision

“would not affect the scope of either party’s relief”); *Glaxo Grp. Ltd. v. TorPharm, Inc.*, 153 F.3d 1366, 1371 (Fed. Cir. 1998) (“If, however, the ground urged is one of law, and that issue has been fully vetted by the parties on appeal, an appellate court may choose to decide the issue even if not passed on by the trial court.”) (deciding whether to affirm judgment on ground not relied upon by lower court).

Interpretation of § 285 fees, including whether the recoverable fees include fees incurred in AIA and appeal proceedings and may be awarded against counsel, are questions of Federal Circuit law, involving no disputed issues of fact. *See Digeo, Inc. v. Audible, Inc.*, 505 F.3d 1362, 1366 (Fed. Cir. 2007) (“We apply Federal Circuit caselaw to the § 285 analysis, as it is unique to patent law.”); *Inland Steel*, 364 F.3d at 1320 (“However, we have made clear that we ‘apply[] our own law to define the meaning of prevailing party in the context of patent litigation.’”); *Manildra*, 76 F.3d at 1181. The parties fully briefed these two questions below, Appx0160-0169, Appx2360-2419, Appx2433-2439, and therefore both Dragon and Freitas have had a full and fair opportunity to litigate the issues. The record is sufficiently developed here to prevent any supposed prejudice.

Moreover, this Court’s decision on these two issues “would not affect the scope of either party’s relief” and remanding them for the lower court to decide would “serve no useful purpose[.]” *See Fireman’s Fund*, 909 F.2d at 499. The

district court remains free on remand to determine whether exceptionality occurred and, if so, the fee award. If this Court reverses on the prevailing party issue but leaves these legal issues for the district court to determine, no matter the outcome, either Appellants or Dragon/Freitas will appeal those legal questions back to this Court. *See id.* (deciding issue when “remand would serve no useful purpose”). Judicial efficiencies would be better served if this Court determines the scope and application of § 285 fees now.

2. District Courts Should Have Discretion to Award Section 285 Fees from Parallel PTAB Proceedings and Federal Circuit Appeals, in Addition to the District Court Litigation

District courts have discretionary authority under § 285 to award all manner of fees, and nothing in the statute is intended to restrict that discretionary authority. The Supreme Court confirmed in no uncertain terms that the plain language of § 285 is broad and imposes “one and only one constraint.” *Octane Fitness*, 572 U.S. at 553. While § 285 requires that the case be “exceptional,” it broadly applies to all “cases.” Under that plain language, “case” includes all manner of victories, including both at the PTAB and Federal Circuit. A district court may award fees for ancillary proceedings that are “both useful and of a type ordinarily necessary” to advancing the litigation. *Webb v. Bd. of Educ. of Dyer Cty., Tenn.*, 471 U.S. 234, 243 (1985). The district court has broad discretion in determining the amount of the fee award. *Id.* at 244.

District courts should be permitted to award fees incurred in parallel AIA proceedings and appeals. Congress intended that parallel AIA proceedings brought by accused infringers would be a cost-effective substitute for the patent litigation. *PPC Broadband*, 815 F.3d at 740-41 (citing legislative history). A parallel IPR proceeding necessarily advances the litigation by having the PTAB resolve disputed issues of invalidity and imposing estoppel on defendant-petitioners, preventing them from relitigating those issues. 35 U.S.C. § 315(e). And IPRs are useful tools for the district-court litigation, providing the court with the benefit of the PTAB’s decision on, *inter alia*, claim construction, the level of ordinary skill in the art, and the scope and content of the prior art for any surviving or related claims. Appeals—from both the noninfringement judgment and the PTAB—are likewise necessary to advancing the litigation. These proceedings clearly qualify for fees.

This Court has also “interpret[ed] attorney fees to include those sums that the prevailing party incurs in the preparation for and performance of legal services *related to the suit.*” *Cent. Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1578 (Fed. Cir. 1983) (emphasis added); *see also In re Rembrandt Techs. LP Patent Litig.*, 899 F.3d 1254, 1279 (Fed. Cir. 2018) (appreciating that “an award of all of a party’s fees, ‘from either the start or some midpoint of a suit,’” may be sometimes justified) (quoting *Goodyear Tire & Rubber Co. v. Haeger*, 137 S. Ct. 1178, 1187

(2017)). Appellants' IPR proceeding was undoubtedly "related to the suit." *Cent. Soya*, 723 F.2d at 1578. DISH challenged the same claims of the '444 patent that Dragon asserted in litigation, and the court stayed the litigation pending the outcome of the IPR proceeding—as Congress intended. And the two appeals here were also the by-product of the underlying suit.

Importantly, ample courts, including the Federal Circuit, have awarded § 285 fees for parallel administrative proceedings related to a patent suit, especially when those proceedings are a substitute for the underlying district-court litigation. *See, e.g., PPG*, 840 F.2d at 1568 (reversing the district court's denial of § 285 fees for reissue proceedings); *Monolithic Power Sys., Inc. v. O2 Micro Int'l Ltd.*, 726 F.3d 1359, 1369 (Fed. Cir. 2013) (affirming district court's award of § 285 fees for "the entire litigation," including both district court and parallel International Trade Commission proceedings); *Deep Sky Software v. Sw. Airlines Co.*, No. 10-CV-1234-CAB (KSC), 2015 WL 10844231, at *1 (S.D. Cal. Aug. 19, 2015) (awarding § 285 fees for reexamination proceeding); *IA Labs CA, LLC v. Nintendo Co.*, No. CIV. PJM 10–833, 2012 WL 1565296, at *4 (D. Md. May 1, 2012) (same), *aff'd* 515 F. App'x 892 (Fed. Cir. 2013) (nonprecedential); *Howes v. Med. Components, Inc.*, 761 F. Supp. 1193, 1198 (E.D. Pa. 1990) (same); *Scott Paper Co. v. Moore Bus. Forms, Inc.*, 604 F. Supp. 835, 838 (D. Del. 1984) (awarding § 285 fees for reissue proceedings).

As a result, this Court has already determined that fees incurred before the PTAB's predecessor, the Board of Patent Appeals and Interferences ("BPAI"), are recoverable. There is no reason to treat AIA proceedings differently than reexaminations or reissues for purposes of awarding fees. In fact, the PTAB acts more as a judicial proxy than did the BPAI. *See Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1378 (2018) (noting similarities between PTAB's "court-like procedures" and litigation); *see also* 35 U.S.C. § 316(a); *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48, 758, 48,761-763 (2012); *see generally Office Patent Trial Practice Guide, August 2018 Update*, 83 Fed. Reg. 39,989 (2018).

Appeals from the underlying judgment or from AIA proceedings should also qualify for attorneys' fees.⁸ This Court has awarded § 285 fees "where such appeals are an integral part of the ongoing litigation." *PPG*, 840 F.2d at 1569 (awarding § 285 fees for appeal from a reissue proceeding "that virtually replaced the district court litigation"). Without a doubt, the noninfringement appeal is integral to the underlying litigation. And PTAB appeals are also integral to parallel

⁸ Appellants did not explicitly identify appeal fees in briefing below because the § 285 motions were filed—well before the appeal proceedings were underway. Appx0141; Appx0027 (Docket No. 126). DISH also stated that it would "submit a formal request for proposed fees after an exceptional case finding." Appx1065. Appellants continue to reserve the right to submit a formal request for all fees incurred upon a finding of exceptionality.

litigation. In *PPG*, for example, this Court reversed a denial of § 285 fees, finding that fee awards should include a parallel reissue proceeding. *Id.* It also held that “the district court cannot exclude from the award reasonable fees for services performed by [defendant’s] attorneys in [patentee’s] *appeal to this court.*” *Id.* (emphasis added). It made clear that it need not award those fees in the first instance—district courts are free to do so. *Id.*

Here, Appellants utilized the IPR proceeding as an alternative and more cost-effective forum to address Dragon’s frivolous assertions. Appx0893-0894. In doing so, they obtained a stay of the case. Therefore, once stayed, the PTAB proceeding entirely substituted for the district-court litigation. *See PPG*, 840 F.2d at 1569; *Deep Sky*, 2015 WL 10844231, at *2 (“[J]ust as the parties envisioned when they jointly moved to stay this case, the reexamination proceedings essentially substituted for work that would otherwise have been done before this court.”). The Federal Circuit appeal was also integral to that proceeding in affirming the final PTAB decision of invalidity. *See PPG*, 840 F.2d at 1568.

To deny Appellants’ request for its attorneys’ fees incurred in the IPR proceeding and on appeal would paradoxically punish DISH and SXM for using an alternative and more cost-effective forum to resolve the dispute between the parties as well as ignore the determination by this Court. Although this Court is not asked to reach the issue of whether Appellants *should* be entitled to all of their fees

incurred from the parallel IPR and previous appeals, this Court should resolve the outstanding question of whether a district court *may* in its discretion award fees incurred in parallel AIA proceedings and appeals.

3. District Courts Should Have Discretion to Award Section 285 Fees Against Counsel of Record as Jointly and Severally Liability with a Party in an Exceptional Case

A district court's discretionary authority under § 285 is unfettered, other than the statutory mandate that the court find the case "exceptional" considering the totality of the circumstances. 35 U.S.C. § 285; *Octane Fitness*, 572 U.S. at 550, 555. As a result, § 285 states only that fees may be awarded *to* a prevailing party; it does not specify *from whom* the fees must be paid. In reality, the "one and only one constraint" in the language of the statute, that the case be exceptional, can occur through conduct of the party or its counsel. *Cf. Octane*, 572 U.S. at 553, 555-57. Of course, not all attorneys should be liable for fees. But there are certainly circumstances where attorneys act as quasi-parties and engage in conduct that is exceptional, warranting liability. And nothing in the statute prohibits district courts from determining in their discretion that attorneys who engaged in such conduct render the case "exceptional" and should be liable for fees.

Congress could have specified that only the non-prevailing *party* must pay fees, but it did not. When Congress has wanted to limit statutes in that way, it has done so. *See, e.g.*, 17 U.S.C. § 505 (provision of Copyright Act allowing the court

to award “the recovery of full costs by or against *any party*”) (emphasis added). Congress’s decision not to limit § 285 in this same way confirms § 285’s plain meaning: it only specifies who can win, not who must pay.

Therefore, a district court’s statutory authority to award reasonable attorneys’ fees should not be encumbered by unwritten language restricting who is ultimately liable for paying the fees. The Supreme Court’s decision in *Octane Fitness* rejected the “unduly rigid” prior application of § 285 and stated that it “impermissibly encumbers the statutory grant of discretion to district courts.” 572 U.S. at 553. Indeed, the Supreme Court has made clear that “[i]f a court may tax counsel fees against a party who has litigated in bad faith, it certainly may assess those expenses against counsel who willfully abuse judicial processes.” *Roadway Exp., Inc. v. Piper*, 447 U.S. 752, 766 (1980). The Supreme Court highlighted a district court’s “inherent power” to assess attorneys’ fees against counsel who act in bad faith, either in filing the lawsuit or in the conduct of litigation. *Id.* at 765-66. Attorneys who act in bad faith certainly engage in conduct that qualifies as “exceptional” under § 285. *See Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1034 (Fed. Cir. 2002) (“The prevailing party may prove the existence of an exceptional case by showing: inequitable conduct before the PTO; litigation misconduct; vexatious, unjustified, and otherwise bad faith litigation; a frivolous suit or willful infringement.”).

In *Octane Fitness*, the Supreme Court rejected this Court’s more restrictive standard—that “a case is ‘exceptional’ only if a district court either finds litigation-related misconduct of an independently sanctionable magnitude or determines that the litigation was both ‘brought in subjective bad faith’ and ‘objectively baseless.’” 572 U.S. at 554. The Supreme Court determined that independently sanctionable conduct is governed by Federal Rule of Civil Procedure 11. Rule 11 permits fees against attorneys, law firms, or parties. Fed. R. Civ. Proc. 11(c)(1). The Supreme Court therefore held that § 285 fees may be appropriate where “a party’s unreasonable conduct—while not necessarily independently sanctionable [under Rule 11]—is nonetheless so ‘exceptional’ as to justify an award of fees.”⁹ *Id.* at 555. If such conduct by an *attorney* or *law firm* rose to an independently sanctionable level under Rule 11, then surely it is also exceptional. The Supreme Court also broadened the scope of fees in holding that a party need not establish *both* subjective bad faith and objectively baseless litigation. *Id.* A case that involves “either subjective bad faith or exceptionally meritless claims may sufficiently set itself apart from mine-run cases to warrant a fee award.” *Id.*

Attorneys have long been held responsible for conducting litigation in bad faith or advancing exceptionally meritless claims. In interpreting a similar rule—

⁹ In discussing “a party,” the Supreme Court did not hold that § 285 fees were limited to parties. *Octane Fitness*, 572 U.S. at 555. That issue was not raised or addressed in *Octane Fitness*.

Federal Rule of Appellate Procedure 38, which directs who may receive fees, but not who must pay—courts have assessed fees against counsel, and not only the party. Rule 38 allows an award of fees for frivolous appeals “to the appellee” but is otherwise silent on liability. Under Rule 38, however, awards are assessed against the attorneys, the party, or both.¹⁰ See *Phonometrics, Inc. v. Westin Hotel Co.* (“*Phonometrics I*”), 319 F.3d 1328, 1332-33 (Fed. Cir. 2003) (“[W]e direct the sanction to Phonometrics and *its attorney, Mr. Sutton, jointly and severally.*”) (emphasis added); *Coghlan v. Starkey*, 852 F.2d 806, 818 (5th Cir. 1988) (“[M]any cases under [R]ule 38 assess sanctions against offending counsel, alone or jointly with the client”) (citing cases). In *Phonometrics I*, the plaintiff and its attorney

¹⁰ Unlike § 285, some statutes or rules explicitly permit sanctions against attorneys. See, e.g., 28 U.S.C. § 1927 (permitting sanctions against “[a]ny attorney or other person admitted” to practice); Fed. R. Civ. Proc. 11 (permitting sanctions against “attorney”); Fed. R. Civ. Proc. 37(a)(4) (permitting sanctions against “party or attorney . . . or both”). However, when the statute or rule is silent as to attorneys, courts are split as to attorney liability. See, e.g., *In re Crescent City Estates, LLC*, 588 F.3d 822, 825 (4th Cir. 2009) (stating, regarding 28 U.S.C. § 1447(c), that “no circuit court has confronted this issue, and the district courts that have addressed it are badly divided”) (citing conflicting district court cases); *Neft v. Vidmark, Inc.*, 923 F.2d 746, 747 (9th Cir. 1991) (inferring that award against counsel improper where copyright fee-shifting statute, 17 U.S.C. § 505, does not mention attorneys); *Healey v. Chelsea Res., Ltd.*, 947 F.2d 611, 624 (2d Cir. 1991) (“When a fee-shifting statute that authorizes the courts to award attorneys’ fees . . . does not mention an award against the losing party’s attorney, the appropriate inference is that an award against attorneys is not authorized.”); but see *Roadway Express*, 447 U.S. at 765 (“There are ample grounds for recognizing, however, that in narrowly defined circumstances federal courts have inherent power to assess attorney’s fees against counsel.”).

persisted in advancing a claim-construction argument plainly rejected (twice) by this Court. *Phonometrics I*, 319 F.3d at 1332-33. The Court did not require proof that the vexatious litigation tactics were the fault of only the party's attorney to assess fees against counsel. *Id.* Recognizing that it is difficult at times for a court to know where the blame lies, it assessed the fees jointly and severally against the party and its attorney. *Id.*

Appellants acknowledge that in a subsequent *Phonometrics* case, this Court rejected the applicability of § 285 fees to attorneys. *Phonometrics, Inc. v. ITT Sheraton Corp.* (“*Phonometrics II*”), 64 F. App'x 219, 222 (Fed. Cir. 2003) (nonprecedential). There, in a pre-*Octane Fitness* context, this Court addressed the district court's finding that “unjustified, vexatious and bad faith maintenance of the lawsuit is deserving of an award of fees and costs pursuant to *both* 28 U.S.C. § 1927 and 35 U.S.C. § 285,” and that the plaintiff and its attorneys were “jointly and severally liable” for such behavior. *Id.* at 220 (emphasis added). The Court “affirm[ed] the district court's decision to award fees and costs under 35 U.S.C. § 285 and 28 U.S.C. § 1927” but vacated on the issue of joint and several liability between the party and its attorneys and remanded for the court to “specify the appropriate separate liability of *Phonometrics* and of its counsel.” *Id.* at 222-23. Critically, the Court cited to no authority for why the party and its attorneys could not be joint and severally liable, stating only:

In addition, we vacate the district court's holding of joint and several liability by Phonometrics and its counsel for the aggregate award of fees and costs. Section 285 is a fee shifting statute that in exceptional cases may require the losing party to reimburse the prevailing party its attorney fees. Sheraton has provided us with no legal basis for entering a fee award against the losing party's attorney under § 285. Section 1927, on the other hand, is limited to an award of fees against an attorney. Sheraton has provided us with no legal basis for holding the attorney's client liable for fees under § 1927. Thus, ***Phonometrics is not liable for fees awarded under § 1927; it can only be liable for fees awarded under § 285. Counsel for Phonometrics is not liable for fees awarded under § 285; it can only be liable for excess fees awarded under § 1927.***

Id. at 222 (emphasis added). But the decision in *Phonometrics II* was non-precedential and preceded *Octane Fitness's* directive to read the statute without adding additional requirements to its application. Moreover, in *Phonometrics II*, where both § 285 and § 1927 fees were awarded, the deterrent effect on both parties and their attorneys was already achieved without joint and several liability under § 285. Appellants respectfully submit that applying the teachings of *Octane Fitness* demands a different result.

Courts find support for assessing fees against counsel “to discourage meritless litigation and specifically frivolous appeals; penalizing the plaintiff ‘will not guarantee that his attorney will be directly affected or that he will be deterred from bringing similar frivolous appeals in the future.’” *Coghlán*, 852 F.2d at 817. Nothing is different here. Section 285 is likewise open-ended on who must pay, and district courts should be able to exercise their discretion in discouraging bad

faith, exceptionally meritless litigation, and otherwise exceptional conduct by attorneys or law firms. Assessing fees against attorneys for their exceptional conduct also has a powerful deterrent effect for pernicious patent litigation involving assertion entities. As noted in *Octane Fitness*, courts consider various factors in determining whether to award fees, including “frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the *need in particular circumstances to advance considerations of compensation and deterrence.*” 572 U.S. at 545 n.6 (quotation omitted) (emphasis added). Deterrence here is the end goal. An uncollectible award of fees against only an insolvent assertion entity does nothing to avoid or prevent the “gross injustice” of a wrongfully accused infringer bearing the cost of defense in an exceptional case. *Cf.* S. Rep. No. 79-1503, at 2 (1946). Congress’s intent in enacting § 285 would be frustrated by a statutory interpretation that does not permit awards against attorneys, at least where (1) they act as a “quasi-party” with a significant financial stake in the outcome of the case, (2) they are the only real recourse for compensation, and (3) their conduct in litigating the case was exceptional under the circumstances. Attorneys should not be permitted to use “exceptional” litigation as a sword while using judgment-proof assertion entities as a shield.

As with the availability of fees for PTAB proceedings and appeals, Appellants do not ask this Court to reach the issue of whether Freitas *should* be jointly and severally liable for fees. Such a fact-intensive determination is proper for the district court to decide in the first instance. For example, whether Freitas here acted as a quasi-party by representing an insolvent shell corporation on a contingency-fee basis and retaining all responsibility for the positions advanced by the parties is a question of fact for the district court's resolution. This Court however should resolve the outstanding question of whether a district court *may* in its discretion assess fees against counsel of record as jointly and severally liable with the party. That issue is ripe for resolution now.

VII. CONCLUSION

This Court should reverse the district court's order, denying Appellants' motions for fees, because each of DISH and SXM is a prevailing party under § 285. The Court should determine as a matter of law that a district court may properly include fees incurred in parallel AIA proceedings and appeals in § 285 awards. The Court should further determine as a matter of law that district courts may assess § 285 fees against both a party and its counsel with joint and several liability when the circumstances warrant. The Court should therefore remand with instructions for the district court to determine whether this case was "exceptional" under § 285 and, if so, the proper fee award.

February 13, 2019

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ADDENDA

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

DRAGON INTELLECTUAL PROPERTY,
LLC,

Plaintiff,

v.

DISH NETWORK, LLC

Defendant.

Civil Action No. 1:13-cv-02066-RGA

DRAGON INTELLECTUAL PROPERTY,
LLC,

Plaintiff,

v.

SIRIUS XM RADIO INC.,

Defendant.

Civil Action No. 1:13-cv-02067-RGA

MEMORANDUM ORDER

Defendants DISH Network, LLC and Sirius XM Radio Inc. have filed Motions to Declare This Case Exceptional. (C.A. 13-2066, D.I. 130; C.A. 13-2067, D.I. 139). The Parties have fully briefed the issues. (C.A. 13-2066, D.I. 131, 143, 152; C.A. 13-2067, D.I. 140, 156, 165). Plaintiff's former Freitas Angell & Weinberg LLP ("FAW") attorneys have also filed an opposition to Defendants' motions. (C.A. 13-2066, D.I. 144; C.A. 13-2067, D.I. 157). For the reasons set forth below, Defendants' motions are **DENIED**.

The Defendants' motions request, in part, fees pursuant to 35 U.S.C. § 285. That Section provides: "The court in exceptional cases may award reasonable attorney fees to the prevailing party." A prevailing party is "one who has been awarded some relief by the court." *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep't of Health & Human Res.*, 532 U.S. 598, 603 (2001); see also *SSL Servs., LLC v. Citrix Sys., Inc.*, 769 F.3d 1073, 1087 (Fed. Cir. 2014) ("A party 'prevails' when 'actual relief on the merits of his claim materially alters the legal relationship between the parties . . . in a way that directly benefits the [party].'" (alteration in original) (quoting *Farrar v. Hobby*, 506 U.S. 103, 111-12 (1992))).

I vacated my previous judgments of non-infringement in these cases. (C.A. 13-2066, D.I. 168; C.A. 13-2067, D.I. 177). Thus, I have not awarded "actual relief on the merits" and Defendants DISH Network LLC and Sirius XM Radio Inc. are not prevailing parties.¹ Therefore, they are not entitled to pursue attorney fees under 35 U.S.C. § 285.

Defendants' motions also request an award of fees from Plaintiff's former FAW attorneys, Robert Freitas and Jason Angell, pursuant to 28 U.S.C. § 1927. That Section provides:

Any attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct.

The Third Circuit limits Section 1927 fees awards to instances where the attorney has "(1) multiplied proceedings; (2) unreasonably and vexatiously; (3) thereby increasing the cost of the proceedings; (4) with bad faith or with intentional misconduct." *LaSalle Nat. Bank v. First Conn.*

¹ I acknowledge, as Defendant DISH Network LLC pointed out in its October 10, 2018 letter, that Defendants DISH Network LLC and Sirius XM Radio Inc. are unique in this group of related cases in that they did achieve a victory over Plaintiff. (See C.A. 13-2066, D.I. 169). However, the Patent Trial and Appeal Board awarded that victory and it did not play a role in any judgment issued by this Court. Success in a different forum is not a basis for an award of attorneys' fees by this Court.

Holding Grp., LLC., 287 F.3d 279, 288 (3d Cir. 2002). “[Section] 1927 explicitly covers only the multiplication of proceedings that prolong the litigation of a case and likely not the initial pleading, as the proceedings in a case cannot be multiplied until there *is* a case.” *In re Schaefer Salt Recovery, Inc.*, 542 F.3d 90, 101 (3d Cir. 2008) (emphasis in original).

The conduct identified by Defendants is not sufficient to support an award of fees pursuant to Section 1927 under the Third Circuit standard. Defendants identify three issues with FAW’s representation of Plaintiff:

(1) the clear failure . . . to conduct an adequate pre-filing investigation; (2) Dragon’s refusal to acknowledge the express language of its own claims as applied to the accused . . . products and its continued pursuit of frivolous litigation after being notified of its meritless positions; and (3) the diametrically inconsistent positions that Dragon took in the related IPR proceedings and this Court concerning the scope of the asserted claims of the ‘444 patent.

(C.A. 13-2066, D.I. 11). Defendants’ first allegation is irrelevant to the Section 1927 inquiry which focuses on actions taken *during* a proceeding. Pre-filing activity, or inactivity, does not support an award of fees pursuant to Section 1927.

Defendants’ second allegation is similarly irrelevant. Defendants correctly point out that the FAW attorney filed papers which denied prosecution disclaimer despite the disclaiming language in the prosecution history being among the clearest I have seen during my time on the bench. (C.A. 13-2061, D.I. 110 at 7). However, Defendants do not articulate how the proposed constructions, flawed as they were, multiplied and prolonged the proceedings. Thus, Plaintiff’s claim construction position does not support an award of fees pursuant to Section 1927.

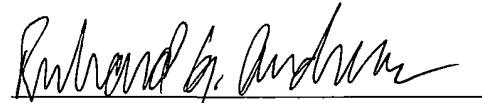
Defendants’ third allegation similarly does not support an award of fees. Propounding opposite claim construction positions before the Patent Office and a District Court in concurrent proceedings is, at a minimum, objectively bad form. However, assuming Defendants’ accusations against the FAW attorneys are true, the inconsistent positions did not cause the

proceedings in this case to multiply. As is usual in patent cases, the Parties argued their respective positions and I issued a claim construction order. The Parties did not subsequently relitigate the claim constructions such that they prolonged the litigation. Accordingly, an award of Section 1927 fees on this basis is inappropriate.

Thus, although Defendants identify behavior that I might properly have sanctioned under Section 285, the allegations do not meet the standard for a Section 1927 fees award.

Accordingly, Defendants DISH Network LLC's and Sirius XM Radio Inc.'s Motions to Declare This Case Exceptional (C.A. 13-2066, D.I. 130; C.A. 13-2067, D.I. 139) are **DENIED**.

IT IS SO ORDERED this 7 day of November 2018.


United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

APPLE, INC.,

Defendant.

Civil Action No. 13-2058-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

AT&T SERVICES, INC.,

Defendant.

Civil Action No. 13-2061-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

CHARTER COMMUNICATIONS, INC.,

Defendant.

Civil Action No. 13-2062-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

COMCAST CABLE COMMUNICATIONS,
LLC,

Defendant.

Civil Action No. 13-2063-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

COX COMMUNICATIONS, INC.,

Defendant.

Civil Action No. 13-2064-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

DIRECTV LLC,

Defendant.

Civil Action No. 13-2065-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

DISH NETWORK, LLC

Defendant.

Civil Action No. 13-2066-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

SIRIUS XM RADIO INC.,

Defendant.

Civil Action No. 13-2067-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

TIME WARNER CABLE, INC,

Defendant.

Civil Action No. 13-2068-RGA

DRAGON INTELLECTUAL PROPERTY, LLC,

Plaintiff,

v.

VERIZON COMMUNICATIONS, INC.,

Defendant.

Civil Action No. 13-2069-RGA

MEMORANDUM ORDER

Presently before the Court is Plaintiff’s Motion for Vacatur and Dismissal as Moot of my previous non-infringement judgments in these cases.¹ (D.I. 207).² The cases return to me after the Federal Circuit found them moot on appeal³ and denied panel rehearing on the issue of

¹ On April 27, 2016, this Court issued judgments in favor of Defendant Apple, Inc., C.A. 13-2058, D.I. 133; Defendant AT&T Services, Inc., C.A. 13-2061, D.I. 168; Defendant Charter Communications, Inc., C.A. 13-2062, D.I. 181; Defendant Comcast Cable Communications, LLC, C.A. 13-2063, D.I. 180; Defendant Cox Communications Inc., C.A. 13-2064, D.I. 173; Defendant Dish Network, LLC, C.A. 13-2066, D.I. 117; Defendant Sirius XM Radio Inc., C.A. 13-2067, D.I. 130; Defendant Time Warner Cable Inc., C.A. 13-2068, D.I. 183; and Defendant Verizon Communications, Inc., C.A. 13-2069, D.I. 173. On May 3, 2016, this Court issued judgment in favor of Defendant DirecTV, LLC, C.A. 13-2065, D.I. 182.

² Unless otherwise noted, citations to the docket are to C.A. 13-2061.

³ See *Dragon Intellectual Prop., LLC v. Apple Inc. et al.*, 700 F. App'x 1005, 1006 (Fed. Cir. 2017).

vacatur.⁴ The parties have thoroughly briefed the issues. (D.I. 208, 210, 213; C.A. 13-2066, D.I. 162, 165).

As an initial matter, Defendants assert that the Federal Circuit's denial of Plaintiff's petition for panel rehearing should dictate my analysis of this issue. (D.I. 210 at 17-18; C.A. 13-2066, D.I. 162 at 3-5). They do not cite any caselaw or other authority in support of their assertion. Plaintiff responds, "Whatever the reason for the denial of rehearing, it is not possible to conclude that in denying without comment Dragon's petition for rehearing, the Federal Circuit intended to take a position on the ultimate question of the appropriateness of vacatur." (D.I. 208 at 15). Specifically, in its petition for panel rehearing, Plaintiff noted, "[B]oth district courts and courts of appeals have the power to vacate, or to direct the vacatur of, judgments in cases that become moot during an appeal." (*Id.* at 15 n.12 (citing D.I. 71-1, Exh. 1 at 2 n.1)). Therefore, Plaintiff argues, it is plausible that the Federal Circuit denied panel rehearing, because "the appropriate course of action was to leave the question of vacatur to this Court." (*Id.* at 15). I agree with Plaintiff. It is not possible to discern from the record the Panel's rationale for denying rehearing.⁵ Moreover, I find it unlikely that the Federal Circuit intended to foreclose further consideration of vacatur, an apparently appropriate remedy, with a summary denial of a petition for panel rehearing. Therefore, I will consider the merits of Plaintiff's motion.

⁴ *Dragon Intellectual Property, LLC v. Apple Inc. et al.*, Nos. 2016-2186, -2453, -2454, -2456, -2459, -2460, -2461, -2462, -2463, -2464 (Fed. Cir. Jan. 31, 2018) (D.I. 209-4).

⁵ I have been unable to identify controlling authority on the "meaning" of a denial of panel rehearing. I suspect the discretionary decision of the Panel whether to institute additional proceedings is akin to a denial of certiorari by the Supreme Court. *See* 16B Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 4004.1 (3d ed. 2008) ("[D]enial of certiorari does not indicate any view on the merits."); *cf. Luckey v. Miller*, 929 F.2d 618, 622 (11th Cir. 1991) ("[A] summary denial of rehearing en banc is insufficient to confer any implication or inference regarding the court's opinion relative to the merits of a case. . . . [A]ttaching precedential weight to a denial of rehearing en banc would be unmanageable.").

Federal Rule of Civil Procedure 60(b) empowers district courts to vacate judgments for several specified reasons. A catchall provision, Rule 60(b)(6) provides: “[T]he court may relieve a party . . . from a final judgment . . . for . . . any other reason that justifies relief.” The Third Circuit instructs, “[C]ourts are to dispense their broad powers under 60(b)(6) only in ‘extraordinary circumstances where, without such relief, an extreme and unexpected hardship would occur.’” *Cox v. Horn*, 757 F.3d 113, 120 (3d Cir. 2014) (quoting *Sawka v. Healtheast, Inc.*, 989 F.2d 138, 140 (3d Cir. 1993)). “[W]hether the 60(b)(6) motion under review was brought within a reasonable time” is one critical factor in the “equitable and case-dependent” analysis. *Cox*, 757 F.3d at 115-16. Beyond these general principles, Third Circuit precedent provides little guidance, because that court has not employed its “extraordinary circumstances” analysis in the context of a case mooted prior to appellate review.⁶

Caselaw and tradition strongly support a conclusion that intervening mootness of a case, prior to appellate review, is an “extraordinary circumstance.” As a general matter, judgments that are mooted prior to appellate review should be vacated.⁷ “A party who seeks review of the merits of an adverse ruling, but is frustrated by the vagaries of circumstance, ought not in fairness be forced to acquiesce in the judgment.” *U.S. Bancorp Mortg. Co. v. Bonner Mall P’ship*, 513 U.S. 18, 25 (1994); *see also United States v. Munsingwear, Inc.*, 340 U.S. 36, 39 n. 2 (1950) (cataloguing cases where the Court vacated judgments following determinations of mootness); *Cardpool, Inc. v. Plastic Jungle, Inc.*, 817 F.3d 1316, 1321 (Fed. Cir. 2016) (noting

⁶ The Parties’ briefing and my independent research did not reveal a Third Circuit opinion applying the “extraordinary circumstances” analysis to facts similar to the present case.

⁷ There are two well documented exceptions to the general rule: where the party seeking relief caused the case to become moot and where the party seeking relief “slept on its rights.” *See U.S. Bancorp Mortg. Co. v. Bonner Mall P’ship*, 513 U.S. 18, 25 (1994); *United States v. Munsingwear, Inc.*, 340 U.S. 36, 38-41 (1950). Neither exception applies to the present case.

Supreme Court precedent dictating vacatur when intervening mootness is not attributable to a party). “The point of vacatur is to prevent an unreviewable decision ‘from spawning any legal consequences,’ so that no party is harmed by . . . a ‘preliminary’ adjudication.” *Camreta v. Greene*, 563 U.S. 692, 713 (2001) (citing *Munsingwear*, 340 U.S. at 40 (“When that procedure is followed, the rights of all parties are preserved; none is prejudiced by a decision which in the statutory scheme was only preliminary.”)). Moreover, in the Rule 60(b)(6) context, when a district court is faced with a judgment mooted prior to appellate review, the Fourth Circuit has held:

[T]he *Bancorp* considerations that are relevant to appellate vacatur for mootness are also relevant to, and likewise largely determinative of, a district court's vacatur decision for mootness under Rule 60(b)(6), even if those considerations do not necessarily exhaust the permissible factors that may be considered by a district court in deciding a vacatur motion.

Valero Terrestrial Corp. v. Paige, 211 F.3d 112, 121 (4th Cir. 2000).

This case presents an “extraordinary circumstance” where vacatur under Rule 60(b)(6) is appropriate. Plaintiff was diligent in seeking review following entry of final judgment of non-infringement.⁸ But the Patent Trial and Appeals Board (PTAB) subsequently invalidated the claims at issue in this case, and the Federal Circuit affirmed that decision. Thus, Plaintiff's appeal became moot prior to review. As a result, absent vacatur of my prior judgment, Plaintiff is at significant risk of harm from an unreviewed decision. Indeed, Defendants' apparent goal in (and the only rational reason for) opposing Plaintiff's motion for vacatur is to secure their right to pursue attorneys' fees as “prevailing parties.” (*See* D.I. 210 at 14-20). An increased risk of

⁸ Plaintiff also diligently filed the present Rule 60(b)(6) motion less than a month after the mandate issued from the Federal Circuit. Plaintiff's diligence provides additional support for granting Rule 60(b)(6) vacatur under the Third Circuit's analysis.

liability for attorneys' fees based on an unreviewed decision is unquestionably an "extreme and unexpected hardship." Thus, I will vacate my previous judgments of non-infringement in these cases.

Dismissal of the case is not appropriate at this juncture. Although the issue of infringement underlying Plaintiff's complaint is moot, Defendants' motions for attorney's fees remain outstanding.⁹ "If a judgment has become moot [while awaiting review], [a court] may not consider its merits, but may make such disposition of the whole case as justice may require." *Walling v. James V. Reuter, Inc.*, 321 U.S. 671, 677 (1944). An appropriate disposition of the entire case may include an award of costs. *See U.S. Bancorp Mortg. Co.*, 513 U.S. at 21; *see also Cty. of Morris v. Nationalist Movement*, 273 F.3d 527, 534 (3d Cir. 2001) ("[A]n award of attorney's fees with respect to the trial phases of a case is not precluded when a case becomes moot during the pendency of an appeal."); *Constangy, Brooks & Smith v. N.L.R.B.*, 851 F.2d 839, 842 (6th Cir. 1988) ("It would be particularly inappropriate to vacate the district court's order in the instant case in light of appellee's motion for attorney's fees pending before the district court"); *Grano v. Barry*, 733 F.2d 164, 168 n.2 (D.C. Cir. 1984) ("[D]ismissal of . . . part of the appeal as moot is not dispositive as to the issue of attorneys' fees"); *Doe v. Marshall*, 622 F.2d 118, 120 (5th Cir. 1980) ("[A] determination of mootness neither precludes nor is precluded by an award of attorneys' fees."); *Williams v. Alioto*, 625 F.2d 845, 848 (9th Cir. 1980) ("Claims for attorneys' fees ancillary to the case survive independently under the court's

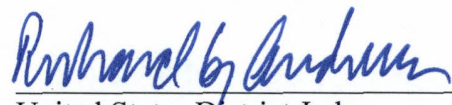
⁹ *See* Defendants AT&T Services' and DirecTV's Motions to Declare this Case Exceptional and Award Fees Under 35 U.S.C. § 285 (C.A. 13-2061, D.I. 183; C.A. 13-2065, D.I. 196) and Defendants Charter Communications, Inc., Comcast Cable Communications, LLC, Cox Communications Inc., Time Warner Cable Inc., and Verizon Communication Inc.'s Motions for Attorneys' Fees and Costs (C.A. 13-2062, D.I. 203; C.A. 13-2063, D.I. 202; C.A. 13-2064, D.I. 195; C.A. 13-2068, D.I. 205; C.A. 13-2069, D.I. 195).

equitable jurisdiction, and may be heard even though the underlying case has become moot.”).

Therefore, I will retain jurisdiction to resolve Defendants’ motions and deny Plaintiff’s request for dismissal.

Thus, Plaintiff’s Motion for Vacatur and Dismissal as Moot (C.A. 13-2058, D.I. 140; C.A. 13-2061, D.I. 207; C.A. 13-2062, D.I. 204; C.A. 13-2063, D.I. 203; C.A. 13-2064, D.I. 196; C.A. 13-2065, D.I. 221; C.A. 13-2066, D.I. 159; C.A. 13-2067, D.I. 170; C.A. 13-2068, D.I. 206; C.A. 13-2069, D.I. 196) is **GRANTED-IN-PART AND DENIED-IN-PART**.

IT IS SO ORDERED this 27 day of September 2018.


United States District Judge

PROOF OF SERVICE

I hereby certify that on this 13th day of February, 2019, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit through the Court's CM/ECF system.

Participants in the case who are registered CM/ECF users will be served by the appellate CM/ECF

Dated: February 13, 2019

/s/ Jamie R. Lynn
Jamie R. Lynn

CERTIFICATE OF COMPLIANCE WITH FEDERAL RULE OF
APPELLATE PROCEDURE 32(a)(7)(B)

In reliance upon the word-count feature of the word-processing system used to prepare this brief, I hereby certify that this brief contains 13,206 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii).

/s/ Jamie R. Lynn
Jamie R. Lynn