No. 23-1035

United States Court of Appeals for the Federal Circuit

REALTIME ADAPTIVE STREAMING LLC,
Plaintiff-Appellant,

v.

SLING TV, L.L.C., SLING MEDIA, L.L.C.,
DISH NETWORK L.L.C., DISH TECHNOLOGIES L.L.C.,
Defendants-Appellees

SLING MEDIA, INC., ECHOSTAR TECHNOLOGIES LLC,
Defendants

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO IN CASE NO. 1:17-CV-02097-RBJ, JUDGE R. BROOKE JACKSON

APPELLEES' PETITION FOR REHEARING EN BANC

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October 23, 2024 *Attorneys for Appellees*

CERTIFICATE OF INTEREST

Counsel for Defendant-Appellees DISH Network L.L.C., DISH Technologies L.L.C., Sling Media L.L.C., Sling TV L.L.C. (collectively, "DISH") certifies the following:

1. Provide the full names of all entities represented by undersigned counsel in this case: DISH Network L.L.C., DISH Technologies L.L.C., Sling Media L.L.C., Sling TV L.L.C.

2. Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities, and not identified in response to Question 3: None.

3. Provide the full names of all parent corporations for the entities and all publicly held companies that own 10 percent or more of the stock in the entities:

   a. DISH Network L.L.C. is a wholly-owned subsidiary of DISH DBS Corporation.

   b. DISH Technologies L.L.C. is a wholly-owned subsidiary of DISH Network L.L.C.

   c. DISH Network L.L.C., DISH Technologies L.L.C., and DISH DBS Corporation are wholly-owned indirect subsidiaries of DISH Network Corporation.

   d. DISH Network Corporation is a wholly-owned subsidiary of EchoStar Corporation, with publicly traded equity (NASDAQ:SATS).

   e. Sling Media L.L.C. is a wholly-owned subsidiary of DISH Technologies L.L.C., DISH Technologies Holding Corporation, DISH Network L.L.C., DISH DBS Corporation, DISH Orbital Corporation, and DISH Network Corporation.

   f. Sling TV L.L.C. is a wholly-owned subsidiary of Sling TV Holding L.L.C., DISH Technologies L.L.C., DISH Technologies Holding Corporation, DISH Network L.L.C., DISH DBS Corporation, DISH Orbital Corporation, and DISH Network Corporation.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this Court (and who have not or will not enter an appearance in this case) are:

Fish & Richardson P.C.: Timothy W. Riffe, Daniel Tishman, Matthew Mosteller, Caitlin M. Dean*, Michael R. Ellis, Min Woo Park*, Raj Utreja*, Ryan M. Teel*, Andrew L. Schrader*.
Wheeler, Trigg, O'Donnell: Hugh Q. Gottshalk

* No longer with the firm

5. Other than the originating case(s) for this case, are there any related or prior cases that meet the criteria under Fed. Cir. 47.5(a)?

Yes.

6. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

Not Applicable

Dated: October 23, 2024

/s/ Ruffin B. Cordell
Ruffin B. Cordell

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STATEMENT OF COUNSEL

Based on my professional judgment, I believe the panel decision is contrary to the following decision(s) of the Supreme Court of the United States or the precedent(s) of this court:

- *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014);
- *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 572 U.S. 559 (2014);
- *District of Columbia v. Wesby*, 583 U.S. 48, 60-61 (2018);
- *Bayer CropScience AG v. Dow AgroSciences LLC*, 851 F.3d 1302, 1306 (Fed. Cir. 2017); and
- *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1377 (Fed. Cir. 2017).

Dated: October 23, 2024

/s/ Ruffin B. Cordell
Ruffin B. Cordell
Counsel for Sling TV L.L.C., Sling Media L.L.C., DISH Network L.L.C., DISH Technologies L.L.C.

INTRODUCTION

In *Highmark Inc. v. Allcare Health Management System, Inc.*, 572 U.S. 559 (2014), the Supreme Court held "that an appellate court should review all aspects of a district court's § 285 determination for abuse of discretion." *Id.* at 561. On the same day, the Supreme Court also held in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014), that "[d]istrict courts may determine whether a case is 'exceptional' [under 35 U.S.C. § 285] in the case-by-case exercise of their discretion, considering the totality of the circumstances." *Id.* at 554. Despite this guidance, the precedential panel opinion in *Realtime Adaptive Streaming L.L.C. v. Sling TV, L.L.C.*, 113 F.4th 1348 (Fed. Cir. 2024) ("Panel Op."), fails to apply either *Highmark*'s abuse of discretion standard of review or *Octane Fitness*'s totality-of-the-circumstances rubric.

Rather, in setting aside the district court's well-reasoned determination that this was an exceptional case deserving of attorneys' fees, the panel opinion substitutes its own judgment de novo for the district court's and considers each of the district court's findings in isolation. In so doing, this case introduces significant legal errors, with profound consequences, into this Court's canon. The panel opinion condones a new breed of abuse-of-discretion review and totality-of-the-circumstances analysis entirely out of step with the standards established by the Supreme Court, this Court, and the regional Circuits.

Appellees Sling TV L.L.C., Sling Media L.L.C., DISH Network L.L.C., and DISH Technologies L.L.C. (collectively, "DISH") respectfully request that the Court rehear this case en banc to remedy these errors and avoid the legal inconsistencies that the panel opinion introduces.

BACKGROUND

Appellant Realtime Adaptive Streaming LLC sued DISH in the District of Colorado asserting U.S. Patent Nos. 8,867,610 and 8,934,535. Both broadly relate to selection of a data compression scheme. Appx189. The '610 and '535 patents share the same patent family and are highly similar. *Compare* Appx27, Appx56-69, *with* Appx508-509, Appx537-552.

While the district court case against DISH was pending, DISH and several other companies filed a series of *inter partes* review petitions seeking to invalidate the '610 and '535 patents. The district court stayed the case when those IPR proceedings were instituted. Appx95 at Dkt. 162. The '535 patent was invalidated in IPR, although the '610 patent escaped IPR merits-based review through a time-bar de-institution decision by the Board. *See Sling TV, L.L.C. v. Realtime Adaptive Streaming LLC*, 840 F. App'x 598 (Fed. Cir. 2021). In addition to the IPR proceedings, an *ex parte* reexamination proceeding was ordered against the '610 patent. Appx1500. While this case was on appeal, the Board affirmed the Examiner's final rejection of the '610 patent claims, and the USPTO issued an ex parte reexamination certificate cancelling all the challenged claims. *Ex Parte Realtime Adaptive Streaming LLC*, Appeal No. 2023-1035 (P.T.A.B. Apr. 19, 2023).

Amidst these validity challenges, DISH also argued before the district court that the '610 patent was subject matter ineligible under 35 U.S.C. § 101. DISH first raised this argument before the case was stayed for IPR in a Rule 12(b)(6) motion to dismiss. Appx1495-1497. The district court decided to perform claim construction before rendering an eligibility determination, and denied the initial motion without

prejudice. Appx391 (14:9-15). The district court construed the claims just before staying the case for IPR. Appx1209-1210.

While the case was stayed pending IPR, two other tribunals determined that the asserted claims of the highly related '535 patent were § 101 ineligible. In *Realtime Adaptive Streaming LLC v. Google, LLC*, No. 2:18-cv-03629, (C.D. Cal. Oct. 25, 2018), the district court held ineligible claims 15-30 of the '535 patent, finding they are "directed to an abstract idea" and "fail[] to provide an inventive concept." Appx1448-1462. Similarly, in *Realtime Adaptive Streaming LLC v. Netflix, Inc.*, No. 17-1692, Dkt. 48 at 22 (D. Del. Dec. 12, 2018), a magistrate judge found ineligible the '535 patent claims. Appx1463-1499.[1]

Meanwhile, the stay lifted in the DISH district court case in Colorado. Within weeks, DISH wrote to Realtime to notify it that the '610 patent was § 101 ineligible, particularly in view of several case law developments that had occurred while the case was stayed. Appx2146. DISH indicated it would seek fees if Realtime continued to litigate the '610 patent. Appx2147. Realtime pressed forward, and DISH moved for summary judgment of ineligibility. Appx1386-1404; Appx1938-Appx1947.

The district court granted DISH's motion, ruling that the asserted claims of the '610 patent are patent-ineligible. Appx2013; Appx2004-2005. The district court analogized this case to *Adaptive Streaming Inc. v. Netflix, Inc.*, 836 F. App'x 900 (Fed. Cir. 2020), and cited the *Google* and *Netflix* § 101 decisions for the '535 patent as persuasive

[1] Realtime dismissed its case before the Delaware district court could rule on the magistrate judge's report and recommendation finding the claims ineligible. *See Realtime Adaptive Streaming LLC v. Netflix, Inc.*, 41 F.4th 1372, 1376-77 (Fed. Cir. 2022).

authority. Appx2006-2009. Realtime appealed the district court's summary judgment order to this Court, which affirmed without opinion, pursuant to Federal Circuit Rule 36. *Realtime Adaptive Streaming LLC v. Sling TV, L.L.C.*, No. 21-2268, 2023 WL 3373583, at *1 (Fed. Cir. May 11, 2023).

After invalidating the asserted claims of the '610 patent, DISH requested the district court deem the case "exceptional" pursuant to 35 U.S.C § 285 and partially award DISH its attorneys' fees. DISH argued that Realtime maintained the case post-stay in spite of the claims being clearly patent-ineligible. Appx2022. DISH outlined a timeline of events indicating that Realtime knew, or should have known, that the '610 patent was ineligible when it urged the court to lift the stay, which is the point from which DISH sought its fees. Appx2025; Appx2031.

The district court agreed, deeming the case exceptional and awarding DISH $3.9 million in attorneys' fees. Appx1-8, Appx14, Appx23. Specifically, the court described a series of "red flags" that occurred throughout the case that should have signaled to Realtime that the '610 patent was ineligible. They were:

1. The *Google* and *Netflix* decisions finding ineligible claims of the '535 patent, which is in the same family at the '610 patent;
2. The Federal Circuit's *Adaptive Streaming* decision;
3. The PTAB's invalidation of the '535 patent;
4. The reexamination finding that the '610 patent is invalid under §§ 102, 103;
5. DISH's notice letter to Realtime; and
6. The declaration of DISH's expert, Dr. Bovik, in support of DISH's summary judgment motion.

Appx4-7. The district court "consider[ed] the totality of the circumstances leading up to [its] grant of summary judgment" and concluded that "by carrying on despite numerous danger signals or red flags as I have called them, Realtime accepted the risk of having to reimburse defendants' reasonable attorney's fees." Appx8.

Realtime appealed the exceptionality finding. The panel opinion "conclude[s] the district court did not err in its determination that the *Google* and *Netflix* decisions on Claim 15 of the '535 patent were a significant red flag to Realtime to reconsider its patent eligibility position of the asserted claims of the '610 patent." Panel Op., 113 F.4th at 1355. For the remaining red flags, however, the panel opinion substitutes its own analysis rather than examine whether the district court abused its discretion by considering these red flags in finding the case exceptional, as it must under *Highmark*. Moreover, the panel opinion examines each of these red flags in a vacuum, rather than through the lens of the totality of the circumstances, as *Octane Fitness* requires. The panel opinion vacates the district court's exceptionality determination and remands for further proceedings.

ARGUMENT

I. The Panel Opinion Fails to Apply the Abuse of Discretion Analysis *Highmark* Requires

A. Abuse of Discretion Is a "Highly Deferential Standard"

A § 285 exceptionality determination is reviewed for an abuse of discretion, *Highmark*, 572 U.S. at 563-64, which is "a highly deferential standard of appellate review." *Bayer CropScience AG v. Dow AgroSciences LLC*, 851 F.3d 1302, 1306 (Fed. Cir. 2017). This "great deference to the district court's exercise of discretion in awarding

fees" is for good reason. *Energy Heating, LLC v. Heat On-The-Fly, LLC*, 15 F.4th 1378, 1382 (Fed. Cir. 2021)). "Because the district court lives with the case over a prolonged period of time, it is in a better position to determine whether a case is exceptional and it has discretion to evaluate the facts on a case-by-case basis." *Raniere v. Microsoft Corp.*, 887 F.3d 1298, 1308 (Fed. Cir. 2018).

Although the panel opinion noted that, "[t]o meet the abuse of discretion standard, the appellant must show 'a clear error of judgment in weighing relevant factors or in basing its decision on an error of law or on clearly erroneous factual findings,'" Realtime did not make this showing, nor did the panel opinion demonstrate that any such defects exist in the district court's fees opinion. Panel Op., 113 F.4th at 1354 (quoting *Energy Heating*, 15 F.4th at 1382). This presents a critical flaw with the panel opinion's reasoning. While the panel concludes that the district court committed an abuse of discretion for considering certain red flags, it never makes the required showing of a clear error of judgment or error of fact or law in any one factor alone, or with all the factors taken together. This cannot be right because "an appellate court should review **all aspects** of a district court's § 285 determination for abuse of discretion." *Highmark*, 572 U.S. at 561.[2] Here, none of the red flags the panel opinion criticizes rises to an abuse of discretion, and many of the flags are fully supported by this Court's precedent.

[2] Unless noted, all emphasis added.

1. The Panel Opinion's Rejection of the *Adaptive Streaming* Red Flag Cannot Be Squared with *Inventor Holdings*

This Court's *Adaptive Streaming* decision is a key case the district court relied upon in its § 101 summary judgment opinion that this Court affirmed. *See* Appx2006, Appx2014. As the district court correctly found, both the '610 patent and the *Adaptive Streaming* patent concern encoding data into different formats, with an "absence of implementation details." *See* Appx2006, Appx2014. Yet, despite these similarities, the panel opinion held that "[w]ithout more, such as a side-by-side analysis of all limitations of a claim of the '610 patent and the claims at issue in *Adaptive Streaming*, DISH simply did not adequately show that the patent infringement claim had been rendered exceptionally meritless," and that "[t]he district court erred in finding that the *Adaptive Streaming* decision should have put Realtime on notice that its patent claims were meritless." Panel Op., 113 F.4th at 1356.

The panel opinion's criticisms are diametrically opposed to this Court's decision in *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372 (Fed. Cir. 2017). There, the district court found the case exceptional under § 285 and awarded fees because "following the *Alice* decision, [the patentee]'s claims were objectively without merit." *Id.* at 1377. This Court held that the district court "acted within the scope of its discretion" in finding the case "exceptional **based solely** on the weakness of [patentee]'s post-*Alice* patent-eligibility arguments and the need to deter future 'wasteful litigation' on similarly weak arguments." *Id.* The Court did not require as a prerequisite that the alleged infringer present a comparison chart directly mapping the claims of the asserted patent to those of past cases, as the panel opinion did here.

Rather, the Court correctly placed the burden with the patentee, explaining that "[i]t was [patentee's] responsibility to reassess its case in view of new controlling law." *Id.*

Although *Inventor Holdings* featured prominently in the briefing of this case, the panel opinion does not cite or discuss the decision. And as will be discussed further in Section II, there did not exist in *Inventor Holdings* other court decisions rendering a highly-related patent § 101 ineligible, like existed here with the *Google* and *Netflix* decisions. Simply put, the panel opinion's rejection of the *Adaptive Streaming* red flag cannot be harmonized with *Inventor Holdings*. Even apart from *Inventor Holdings*, the panel opinion never finds, nor could it, that the district court's reliance on *Adaptive Streaming* as a red flag constitutes a clear error in judgment or error in fact or law amounting to an abuse of discretion under the Court's governing standard. The panel opinion thus contradicts both *Inventor Holdings* and *Highmark*.

2. The Panel Opinion's Rejection of the Notice Letter as a Red Flag Cannot Be Squared with *Stone Basket*

Weeks after the stay of the case was lifted, DISH sent Realtime a notice letter in which "[the DISH] defendants reiterated their position on invalidity, noted that substantial litigation expense would be incurred if the case continued, and asked plaintiff to dismiss its claims." Appx7 (citing Appx2143-2147). The letter drew Realtime's attention to the *Google* and *Netflix* decisions finding ineligible claims of the related '535 patent, specifying that "[e]ven a casual comparison of the '610 patent asserted claims to the now invalid claims of the '535 patent reveals that the '610 asserted claims are likely to suffer the same ineligibility finding." Appx2146. DISH's letter also identified that this Court had issued its *Adaptive Streaming* decision, and that,

"[g]iven the similarities of the claims of the '610 patent to the claims of the *Adaptive Streaming* patent reviewed by the Federal Circuit, there can be no objective basis for continuing to litigate claims against Defendants that are clearly patent ineligible." Appx2146. DISH concluded, "[i]f Realtime continues its pursuit of this litigation—despite all of the facts and legal determinations indicating Realtime's litigation positions lack substantive merit—Defendants will seek costs, fees, and sanctions against Realtime . . . pursuant to . . . 35 U.S.C. § 285[.]" Appx2147.

The panel opinion's finding that the district court erred in considering this notice letter as a red flag contravenes precedent. In other opinions, the Court has indicated that pre-judgment notice of exceptionality may effectively be a prerequisite for attaining a § 285 determination. In *Stone Basket Innovations, LLC v. Cook Med. LLC*, 892 F.3d 1175, 1181 (Fed. Cir. 2018), the Court held that the movant's "failure to provide early, focused, and supported notice of its belief that it was being subjected to exceptional litigation behavior" supported the district court's non-award of § 285 fees. The Court explained that "a party cannot simply hide under a rock, quietly documenting all the ways it's been wronged, so that it can march out its 'parade of horribles' after all is said and done." *Id.*

Given this law, it cannot stand that the district court abused its discretion by finding DISH's notice letter amounted to a red flag when that letter specifically identified the weakness of Realtime's claims under § 101.[3] After all, this Court

[3] This is especially true given that DISH's notice letter explained the *Google* and *Netflix* decisions, which found ineligible the related '535 patent, signaled the '610 patent was ineligible. Appx2146-2147. The panel opinion noted *Google* and *Netflix* decisions

previously instructed litigants on the importance of "early, focused, and supported notice of . . . exceptional litigation behavior." *Id.* Yet, the panel opinion turned its back on this precedent in concluding that it "is not clear what it is about the notice letter . . . that constitutes a red flag." Panel Op., 113 F.4th at 1357. And like with the *Adaptive Streaming* red flag, the panel opinion rejects the notice letter red flag without finding a clear error in judgment or error in fact or law to support an abuse of discretion under the Court's governing standard.

* * *

The panel opinion's de novo reevaluation of the district court's exceptionality finding simply cannot be squared with the "highly deferential" abuse of discretion standard, particularly in view of how this Court has sketched the contours of this standard in the § 285 context. *Bayer*, 851 F.3d at 1306. That is, the panel opinion does not demonstrate "a clear error of judgment," an "error of law," or a "clearly erroneous factual finding." *Energy Heating*, 15 F.4th at 1382. The panel opinion thus contravenes this Court's binding abuse of discretion precedent. It also stands askew of the many other Circuits that apply a similar abuse of discretion standard. *See, e.g.*, *Taucher v. Brown-Hruska*, 396 F.3d 1168, 1173 (D.C. Cir. 2005) (Roberts, J.) (holding abuse of discretion requires "clearly erroneous factual findings" or "a clear error of judgment in the conclusion it reached upon a weighing of the relevant factors"); *see also Harlamert v. World Finer Foods, Inc.*, 489 F.3d 767, 773 (6th Cir. 2007) (similar); *United States v. Corey*, 207 F.3d 84, 88 (1st Cir. 2000) (similar); *McCollough v. Johnson,*

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cumulatively amounted to "a significant red flag to Realtime to reconsider its patent eligibility position." Panel Op., 113 F.4t at 1355.

Rodenburg & Lauinger, LLC, 637 F.3d 939, 953 (9th Cir. 2011) (similar); *FDIC v. Rocket Oil Co.*, 865 F.2d 1158, 1160 n.1 (10th Cir. 1989) (similar); *Kern v. TXO Production Corp.*, 738 F.2d 968 (8th Cir. 1984) (similar).

Nor can the panel opinion be harmonized with different articulations of the abuse of discretion test arising from other Circuits. The Second Circuit has described that the "the traditional formulation of the abuse of discretion standard" will "uphold the trial judge's exercise of discretion unless he acts arbitrarily or irrationally." *United States v. Robinson*, 560 F.2d 507, 515 (2d Cir. 1977). And the Ninth Circuit has remarked that the standard "requires looking at both whether the trial court applied the correct legal rule, and, if so, whether application of the rule was illogical, implausible, or without support in the record." *In re Korean Air Lines Co., Ltd.*, 642 F.3d 685, 698 n.11 (9th Cir. 2011); *see also Harman v. Apfel*, 211 F.3d 1172, 1175 (9th Cir. 2000) (noting reversal under abuse of discretion standard is possible only "when the appellate court is convinced firmly that the reviewed decision lies beyond the pale of reasonable justification under the circumstances"). Other Circuits emphasize that "[a]buse of discretion review means that the court has a range of choice, and that its decision will not be disturbed as long as it stays within that range and is not influenced by any mistake of law." *See United States v. Dockery*, 955 F.2d 50, 54 (D.C. Cir. 1992) (emphasis omitted) (quoting *Kern v. TXO Production Corp.,* 738 F.2d 968, 970 (8th Cir.1984)).

At bottom, the panel opinion contravenes the abuse of discretion standard under any of these articulations. Allowing the panel opinion to stand will violate

Highmark, inject confusion into this Court's abuse of discretion case law, and place this Court at odds with the regional Circuits, threatening a circuit split.

II. The Panel Opinion Fails to Apply the Totality of the Circumstances Analysis *Octane Fitness* Requires

Octane Fitness holds that "[d]istrict courts may determine whether a case is 'exceptional' [under 35 U.S.C. § 285] in the case-by-case exercise of their discretion, considering the **totality of the circumstances**." 572 U.S. at 554. At the heart of an "analysis of the 'totality of the circumstances'" is that it "requires an 'evaluation of all pertinent evidence.'" *Prosperity Tieh Enter. Co. v. United States*, 965 F.3d 1320, 1327 (Fed. Cir. 2020) (quoting *Nobel Biocare Servs. AG v. Instradent USA, Inc.*, 903 F.3d 1365, 1378 (Fed. Cir. 2018), *as amended* (Sept. 20, 2018)); *see also Innovative Therapies, Inc. v. Kinetic Concepts, Inc.*, 599 F.3d 1377, 1379 (Fed. Cir. 2010) (explaining totality of the circumstances requires that "several factors" must be "considered together").

What is not permitted in a totality of the circumstance analysis is to consider each factor in a vacuum, independent of the other factors. The Supreme Court made this point clear in *District of Columbia v. Wesby*, 583 U.S. 48 (2018), where it held that a court of appeals "viewed each fact 'in isolation, rather than as a factor in the totality of the circumstances,'" an approach that is "mistaken in light of our precedents." *Id.* at 60 (quoting *Maryland v. Pringle*, 540 U.S. 366, 372 n.2 (2003)). Reversing the court of appeals' flawed analysis, the Supreme Court explained:

> The totality of the circumstances requires courts to consider the whole picture. **Our precedents recognize that the whole is often greater than the sum of its parts—especially when the parts are viewed in isolation**. Instead of considering the facts as a whole, the panel majority

> took them one by one. . . . **The totality of the circumstances test precludes this sort of divide-and-conquer analysis.**

Id. at 60-61 (cleaned up).

The flawed "divide-and-conquer" totality of the circumstances analysis the Supreme Court rejected in *Wesby* is precisely what the panel opinion applied here. The panel opinion treats each red flag it criticizes in total isolation without ever bringing the red flags together to reveal the "whole picture." *Id.* at 60.

For example, in rejecting the *Adaptive Streaming* red flag, the panel opinion eschewed the required totality-of-circumstances framework by holding that "[s]imply being on notice of adverse case law and the possibility that opposing counsel would pursue § 285 fees does not amount to clear notice that the '610 claims were invalid and is therefore not sufficient to support an exceptionality finding in this case." Panel Op., 113 F.4th at 1358. That holding ignores the *Google* and *Netflix* decisions, where two other tribunals held ineligible the related and highly similar '535 patent, which the panel opinion agreed was a proper red flag. Even more explicitly for the notice letter red flag, the panel opinion remarked that "[i]t is not clear what it is about the notice letter, **viewed independently of the *Google* and *Netflix* decisions it referenced**, that constitutes a red flag." Panel Op., 113 F.4th at 1357. Viewing separate circumstances independently is the opposite of what the Supreme Court's totality of the circumstances test for § 285 requires.

The same is true for the validity- and expert-related red flags the panel opinion discredited as it viewed them in isolation and not in conjunction with the other red flags. Moreover, both *Octane* and *Highmark* invite district courts to consider a broad

range of factors as part of the totality analysis. *See Octane Fitness*, 572 U.S. at 554 n.6 (explaining "district courts could consider a nonexclusive list of factors" in a totality of the circumstances analysis); *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 572 U.S. 559, 564 (2014). Yet, the panel opinion appears to fault the district court's consideration of a range of red flags when arriving at its § 285 determination.

Ultimately, the district court applied a proper totality of the circumstances analysis that the panel opinion upends in favor of de novo factor-by-factor review. The district court considered all of the red flags together to conclude that this is an exceptional case, as it is. Appx8 ("[W]hen I consider the totality of the circumstances leading up to this Court's grant of summary judgment on July 31, 2021, I find that Realtime's dogged pursuit of the case notwithstanding those danger signals renders this an exceptional case."). Indeed, even the *Google / Netflix* or *Adaptive Streaming* red flags standing alone support the district court's exceptionality finding under this Court's precedent. *Inventor Holdings*, 876 F.3d at 1377 (holding a case may be exceptional "based solely on the weakness of [a patentee]'s post-*Alice* patent-eligibility arguments and the need to deter future 'wasteful litigation' on similarly weak arguments")). The Court should re-hear this case en banc to correct this analytical error.

CONCLUSION

For the foregoing reasons, the Court should rehear this appeal en banc and affirm the district court's exceptional case finding and fees award.

Dated: October 23, 2024

Respectfully submitted,

/s/ Ruffin B. Cordell

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CERTIFICATE OF SERVICE AND FILING

I certify that on October 23, 2024, I electronically filed the foregoing document of appellee using the Court's CM/ECF filing system. Counsel for appellant were electronically served by and through the Court's CM/ECF filing system per Fed. R. App. P. 25 and Fed. Cir. R. 25(e).

/s/ Ruffin B. Cordell
Ruffin B. Cordell

CERTIFICATE OF COMPLIANCE

This Petition for Rehearing En Banc of appellee is submitted in accordance with the type-volume limitation of Fed. R. App. P. 35(b)(2)(A). The Petition contains 3,898 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(f) and Fed. Cir. R. 32(b)(2). This Brief has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in Garamond, 14 Point.

Dated: October 23, 2024

/s/ Ruffin B. Cordell
Ruffin B. Cordell