

2023-1786, 2023-1871 and 2023-1893

**United States Court of Appeals
for the Federal Circuit**

CLIFFORD A. LOWE, SPOTA LLC, fka Insite Solutions, LLC,

Plaintiffs-Appellants,

— v. —

SHIELDMARK, INC., CROWN EQUIPMENT CORPORATION,
ADVANCED PLASTICS, INC.

Defendants-Cross-Appellants.

*On Appeal from the United States District Court for
the Northern District of Ohio in No. 1:19-cv-00748-JG,
Honorable James S. Gwin, Judge*

**PLAINTIFFS-APPELLANTS' CORRECTED
COMBINED PETITION FOR PANEL REHEARING
AND REHEARING *EN BANC***

RAY L. WEBER
LAURA J. GENTILCORE
RENNER KENNER GREIVE BOBAK
TAYLOR & WEBER CO. LPA
Huntington Tower
106 South Main Street, Suite 400
Akron, Ohio 44308
(330) 376-1242
rlweber@rennerkenner.com
ligentilcore@rennerkenner.com
Counsel for Plaintiffs-Appellants

Corrected: April 10, 2025
Originally Filed: April 7, 2025

FORM 9. Certificate of Interest

Form 9 (p. 1)
March 2023

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

UPDATED

CERTIFICATE OF INTEREST

IN VIEW OF CONSOLIDATION

Case Number 2023-1786

Short Case Caption Lowe v. Shieldmark, Inc.

Filing Party/Entity Clifford A. Lowe and Spota LLC

Instructions:

1. Complete each section of the form and select none or N/A if appropriate.
2. Please enter only one item per box; attach additional pages as needed, and check the box to indicate such pages are attached.
3. In answering Sections 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance.
4. Please do not duplicate entries within Section 5.
5. Counsel must file an amended Certificate of Interest within seven days after any information on this form changes. Fed. Cir. R. 47.4(c).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: 05/25/2023

Signature: /s/ Ray L. Weber

Name: Ray L. Weber

FORM 9. Certificate of Interest

Form 9 (p. 2)
March 2023

1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	2. Real Party in Interest. Fed. Cir. R. 47.4(a)(2).	3. Parent Corporations and Stockholders. Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	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. <input checked="" type="checkbox"/> None/Not Applicable	Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities. <input checked="" type="checkbox"/> None/Not Applicable
Clifford A. Lowe		
Spota, LLC		

☐ Additional pages attached

FORM 9. Certificate of Interest

Form 9 (p. 3)
March 2023

4. Legal Representatives. List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

☒ None/Not Applicable ☐ Additional pages attached

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

☐ Yes (file separate notice; see below) ☒ * No ☐ N/A (amicus/movant)

If yes, concurrently file a separate Notice of Related Case Information that complies with Fed. Cir. R. 47.5(b). **Please do not duplicate information.** This separate Notice must only be filed with the first Certificate of Interest or, subsequently, if information changes during the pendency of the appeal. Fed. Cir. R. 47.5(b).

6. Organizational Victims and Bankruptcy Cases. 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).

☒ None/Not Applicable ☐ Additional pages attached

* Cases 2023-1786, 2023-1871 and 2023-1893 have been consolidated.

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iv
STATEMENT OF COUNSEL REQUIRED FOR <i>EN BANC</i> REQUEST	vi
I. THE GROUNDS FOR THE PETITION FOR REHEARING IS THAT THE PANEL OVERLOOKED OR MISAPPREHENDED POINTS OF LAW OR MATERIAL FACTS AS SET FORTH WITH PARTICULARITY BELOW WHEN DECIDING THE APPEAL	1
A. THE PANEL MISAPPREHENDED THE PATENT LICENSE AGREEMENT (“PLA”) AS BEING INSUFFICIENT EVIDENCE THAT SPOTA GAVE EXCLUSIVE EXCLUSIONARY RIGHTS BACK TO LOWE AFTER HIS ASSIGNMENT OF THE ‘664 PATENT TO SPOTA.	1
1. OVERLOOKED SUPPORTING CASE LAW	1
2. SUPPORTING LEGAL ARGUMENT	1
B. THE PANEL MISAPPREHENDED THAT BECAUSE IT AGREED WITH THE DISTRICT COURT THAT LOWE LACKED SUBJECT MATTER JURISDICTION, THE DISTRICT COURT PROPERLY FOUND THAT LOWE DELAYED THE CASE BY ALLOWING IT TO PROCEED THEREBY WARRANTING SANCTIONS AGAINST PLAINTIFFS-APPELLANTS UNDER ITS INHERENT POWERS.....	4
1. MATERIAL FACTS OVERLOOKED	4
2. SUPPORTING CASE LAW.....	5
3. SUPPORTING ARGUMENT	5
C. THE PANEL MISAPPREHENDED THE LIMITATION OF “THE UPPER SURFACE OF EACH LATERAL EDGE PORTION COMPRISING AN EXTENSION OF THE UPPER SURFACE OF THE BODY,” OF CLAIM 1 BY FINDING THAT “A LATERAL EDGE THAT IS AN ‘EXTENSION OF THE UPPER SURFACE’ IN CLAIM 1 SIMPLY MEANS A LATERAL EDGE THAT IS CONNECTED TO THE UPPER SURFACE.”	7

TABLE OF CONTENTS (continued)

	Page
1. POINT OF LAW OVERLOOKED	7
2. SUPPORTING CASE LAW.....	7
3. SUPPORTING ARGUMENT	7
D. THE PANEL MISAPPREHENDED THE APPEAL IN FINDING DEPENDENT CLAIMS OF THE ‘664 PATENT INVALID OVER DORENBUSCH, WHEN NO ARGUMENT OF INVALIDITY REGARDING THOSE DEPENDENT CLAIMS WAS EVER MADE OF RECORD IN THE APPEAL BY EITHER ARGUMENT OR IN THE APPENDIX.....	9
1. POINT OF LAW OVERLOOKED	9
2. SUPPORTING CASE LAW.....	9
3. SUPPORTING ARGUMENT	9
E. THE PANEL MISAPPREHENDED THE APPEAL BY TREATING THE ENTIRETY OF THE ‘664 PATENT IN ITS INVALIDITY DETERMINATION, WHEN ONLY THE ASSERTED CLAIMS WERE THE SUBJECT OF THE MOTION AND ALL OTHERS WERE EXPRESSLY EXCLUDED.	10
1. POINT OF LAW OVERLOOKED	10
2. SUPPORTING CASE LAW.....	10
3. SUPPORTING ARGUMENT	11
F. THE PANEL OVERLOOKED THE AUDIENCE TO WHICH THE PRODUCT ADVERTISING STATEMENTS AND ILLUSTRATIONS WERE DIRECTED IN DETERMINING THAT THE STATEMENTS WERE NOT UNAMBIGUOUSLY FALSE.	11
1. POINT OF LAW OVERLOOKED	11
2. SUPPORTING CASE LAW.....	12
3. SUPPORTING ARGUMENT	12

TABLE OF CONTENTS
(continued)

	Page
II. BASED ON MY PROFESSIONAL JUDGMENT, I BELIEVE THIS APPEAL REQUIRES AN ANSWER TO A PRECEDENTIAL SETTING QUESTION OF EXCEPTIONAL IMPORTANCE – CAN A DISTRICT COURT CONSIDER AND RULE ON A MOTION FOR SUMMARY JUDGMENT OF INVALIDITY AND ISSUE AN ALTERNATE RULING AFTER FIRST RULING THAT THE PLAINTIFFS LACKED ARTICLE III STANDING - - WHICH COULD NOT BE CURED	14

TABLE OF AUTHORITIES

Page

Cases

<i>American Council, Cert. Pod. v. American Bd. of Podiatric Surgery, Inc.</i> , 185 F. 3d 606, 613 (6 th Cir. 1999)	12
<i>Celotex Corp. v. Catrett</i> , 477 U.S. 317, 106 S.Ct. 2548, 2557, 91 L.Ed. 2d 265 (1966).....	1, 4
<i>Chambers v. NASCO, Inc.</i> , 501 U.S. 32, 111 S. Ct. 2123, 115 L.Ed.2d 27 (1991) ..	5
<i>Enzo APA & Son, Inc. v. Geapag A.G.</i> , 134 F.3d 1090, 1093 (Fed. Cir. 1998)....	1, 2
<i>Ex Parte McCardle</i> , 7 Wall 506, 514, 19 L.Ed. 264 (1868).....	15
<i>Karlin Technology, Inc. v. Surgical Dynamics, Inc.</i> , 117 F. 3d 968 (1999).....	7, 8
<i>Kaufman v. Microsoft Corporation</i> , 34 F. 4 th 1360 (Fed. Cir. 2022)	7, 8
<i>Greenfield v. Philles Records</i> , 98 N.Y.2d 562, 569 (2002), N.Y. Slip Op. 07324, 780 N.E.2d 166 (C.A. N.Y. 2002).....	1, 3
<i>Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.</i> , 925 F.3d 1225, 1235-36 (Fed. Cir. 2019)	1, 3
<i>Mansfield, C. & L.M.R. Co. v. Swan</i> , 111 U.S. 379, 382, 4 S.Ct. 510, 511, 28 L.Ed. 462 (1884).....	15
<i>Nazomi Communications v. ARM Holdings, PLC</i> , 403 F. 3d 1364 (Fed. Cir. 2005)	7, 8
<i>Optivus Technology, Inc. v. Ion Beam Applications S.A.</i> , 469 F. 3d 978, 989 (Fed. Cir. 2006).....	9, 10
<i>Sandt Technology Ltd. v. Resco Metal and Plastics Corporation</i> , 264 F. 3d 1344 (Fed. Cir. 2001)	9, 10, 11
<i>Steel Co. v. Citizens For A Better Environment</i> , 523 U.S. 83, 118 S. Ct. 1003 (1998).....	15, 17

TABLE OF AUTHORITIES

Page

WiAV Solutions, LLC v. Motorola, Inc., 631 F.3d 1257, 1267 (Fed. Cir. 2010)...1, 3

STATEMENT OF COUNSEL REQUIRED FOR *EN BANC* REQUEST

Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

Can a district court consider and rule on a motion for summary judgment of invalidity and issue an alternate ruling after first ruling that the plaintiffs lacked Article III standing - - which could not be cured?

Dated: April 10, 2025

/s/ Ray L. Weber

Now come Plaintiffs-Appellants and Petition the Court under F.R.A.P. 40(a) for a rehearing and a rehearing en banc.

I. The grounds for the Petition for Rehearing is that the Panel overlooked or misapprehended points of law or material facts as set forth with particularity below when deciding the appeal:

A. The Panel misapprehended the Patent License Agreement (“PLA”) as being insufficient evidence that Spota gave exclusive exclusionary rights back to Lowe after his assignment of the ‘664 Patent to Spota.

1. Overlooked Supporting Case Law: *Greenfield v. Philles Records*, 98 N.Y.2d 562 (2002), N.Y. Slip Op. 07324, 780 N.E.2d 166 (C.A. N.Y. 2002); *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090 (Fed. Cir. 1998); *WiAV Solutions, LLC v. Motorola, Inc.*, 631 F.3d 1257 (Fed. Cir. 2010); *Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.*, 925 F.3d 1225 (Fed. Cir. 2019); and *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2548, 91 L.Ed. 2d 265 (1966).

2. Supporting Legal Argument: The PLA requires that it be interpreted under the laws of the United States of America and the State of New York. (Appx1813, Section 5.7). Under New York law, “[A] written agreement that is complete, clear and unambiguous on its face must be enforced according to the plain meaning of its terms.” *Greenfield*, 98 N.Y.2d at 569.

The Patent License Agreement (“PLA”) is a writing signed by Lowe as Manager of Spota and non-party InSite DE expressly stating that as of the date of its

execution , Lowe, not just Spota, retained (i.e., continued to possess) certain *exclusive* rights:

Article II, Section 2.3: Company’s Express Reservation of Rights. [InSite DE] acknowledges and agrees that ...Lowe as owner, and [Spota] as the exclusive licensee, of the Licensed Patents prior to the Effective Date, *retain the exclusive rights to elect to maintain, control, and settle the ShieldMark Litigation...* Lowe and [Spota] also *retain the exclusive rights to enforce the Licensed Patents for recovery of damages for infringement prior to the Effective Date.* Appx1810 (emphasis added)

Article I, Section 1.2: ‘Further Litigation’ means any lawsuit filed or *brought by or on behalf of [Spota]* against a third party following the Effective Date....*alleging any infringement of any Licensed Patents* prior to the Effective Date. Appx1809 (emphasis added)

Article II, Section 2.2: InSite DE agrees that it will not be entitled to collect “any royalties and other payments under or on account of any Licensed Patents *due in connection with the ShieldMark Litigation or any Further Litigation.* Appx1809 (emphasis added)

Because the PLA states (1) *Lowe and Spota retain* exclusive rights “to elect to maintain, control, and settle the ShieldMark Litigation,” and (2) lawsuits alleging infringement of any Licensed Patents may be “*brought by or on behalf of [Spota]*”, by Lowe’s execution of the PLA on behalf of Spota, it acknowledges that Lowe had received back from Spota enforcement rights under the ‘664 Patent after his assignment of the ‘664 Patent to Spota. Having received less than a transfer of all rights under the ‘664 Patent back from Spota, Lowe had therefore received a license from Spota. Any less than a complete transfer of all rights under a patent is a license. *Enzo APA & Son, Inc.*, 134 F.3d at 1093.

The rights Lowe received back from Spota as recited in the PLA are by nature exclusionary rights. Exclusionary rights involve the ability to exclude others from practicing an invention or to forgive activities that would normally be prohibited under the patent statutes. *Lone Star*, 499 F.3d at 1342. Given the plain meaning of the terms of the PLA and precedence of this Court, as of the date of the execution of the PLA, as memorialized therein, Lowe possessed an exclusive license involving exclusionary rights.

The intent of the parties according to the plain meaning of the terms of the PLA was that both Lowe and Spota were to have the ability to enforce the ‘664 Patent. Contracts are to be enforced to give effect to the intent of the parties as discerned from the contract terms. *Greenfield, supra*. The Panel should have concluded both possessed exclusionary rights—Spota as owner of the ‘664 Patent and Lowe as an exclusive licensee of Spota. A party holding any exclusionary right in a patent by way of an *exclusive license* has constitutional standing if the accused is alleged to have violated that right. *WiAV*, 631 F.3d at 1266.

Defendants-Appellees offered the PLA into evidence against Lowe and Spota in seeking judgment that both Lowe and Spota lost standing. (Appx1786 & Appx1807) Having been offered in part by Defendants-Appellees to support their argument, Lowe had the right to rely on the entirety of the PLA as evidence, including his execution of the same as manager for Spota as his affirmation that

he, and not just Spota, possessed exclusive exclusionary rights of enforcement under the '664 Patent on the date he executed the PLA. Lowe would not have needed to submit a separate affidavit stating he had received exclusive exclusionary rights back from Spota after assigning ownership of the '664 Patent to Spota. *Celotex Corp.*, 106 S.Ct at 2557. Lowe's knowledge of the facts personally is necessarily the same as his knowledge of those same facts as the Manager of Spota.

B. The Panel misapprehended that because it agreed with the district court that Lowe lacked subject matter jurisdiction, the district court properly found that Lowe delayed the case by allowing it to proceed thereby warranting sanctions against Plaintiffs-Appellants under its inherent powers.

1. Material Facts Overlooked: The district court awarded sanctions against Lowe and Spota for the following stated reasons:

Plaintiffs' failure to timely disclose those transfers [assignment from Lowe to Spota and license from Spota to InSite DE] prevented Defendants from moving for summary judgment [of patent invalidity] sooner. Appx38.

Thus, Plaintiffs' actions strongly support an inference of bad faith and a finding of litigation misconduct. Appx38-39.

The Court finds that there is a direct 'causal connection' between Plaintiffs' conduct and the fees and costs that Defendants incurred in litigating Plaintiff's patent claim from December 2021 onwards, and it will award those expenses to Defendant. Appx39.

Here, Defendants are entitled to reasonable fees and costs incurred in defending against Plaintiffs' patent infringement claim from December 2021 forward. Appx41.

2. Supporting Case Law: *Chambers v. NASCO, Inc.*, 501 U.S. 32, 111 S. Ct. 2123, 115 L.Ed.2d 27 (1991).

3. Supporting Argument: “[I]n narrowly defined circumstances federal courts have inherent power to assess attorney's fees.” *Chambers*, 501 U.S. at 45. Federal courts “may assess attorney[s’] fees when a party has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.” *Chambers*, 501 U.S. at 45-46 (internal quotation marks and citation omitted). The district court stated it found bad faith in Plaintiffs-Appellants’ conduct of pursuing their patent infringement claim despite knowing both had lost standing after the assignment of the ‘664 Patent from Lowe to Spota and Spota’s grant of a non-exclusive patent license to InSite DE. But, as the Panel found, Spota never lost standing. Plaintiffs-Appellants’ opposition to the district court’s dismissal with prejudice for lack of subject matter jurisdiction was not without merit. Because Spota never lost standing relating to Plaintiffs-Appellants’ patent infringement claim: (1) Plaintiffs-Appellants’ opposition to Defendants-Appellees’ motions that (a) both Plaintiffs-Appellants had lost standing and (b) the district court’s dismissal with prejudice on that basis was justified; and (2) proceedings relating to Plaintiffs-

Appellants' patent infringement claim should have necessarily proceeded to fruition within the timeframe in which it did.

Spota was one of two plaintiffs at the outset of the litigation. It was the exclusive licensee of the '664 Patent, joined as a plaintiff with the patentee, Lowe. Spota had standing after December 2021 as the patentee. The Panel determined that Defendants-Appellees' argument that Spota lost standing due to the non-exclusive license it gave to InSite DE was wrong. As such, Plaintiffs-Appellants properly fought the district court's dismissal with prejudice as there remained a plausible claim for infringement of the '664 Patent in issue for which relief could be granted and which needed to proceed to conclusion. Because Spota never lost standing there was no delay caused by Plaintiffs-Appellants in the case going forward on the claim for infringement of the '664 Patent. Yet, the Panel found:

Lowe lost Article III standing after the assignment, and the Plaintiffs' conduct delayed litigation with respect to Lowe's patent infringement claim. We therefore affirm the District Court's award on its inherent power to sanction.

The Panel's Decision shows that the district court's basis for finding bad faith was wrong—there was no delay in the litigation caused by Plaintiffs-Appellants in rightfully challenging the district court's dismissal with prejudice for lack of standing. The Panel reversed the dismissal and treated the case as having properly

proceeded, dispelling any notion of delay or added expense to be laid at Appellants' doorstep. Any delay was the result of Defendants-Appellees' failed motion practice for the dismissal of *both* Plaintiff-Appellants. The Panel misapprehended the effect of its sustaining the district court's judgment that Lowe lost standing as supporting its award of sanctions.

C. The Panel misapprehended the limitation of “the upper surface of each lateral edge portion comprising an extension of the upper surface of the body,” of claim 1 by finding that “a lateral edge that is an ‘extension of the upper surface’ in claim 1 simply means a lateral edge that is connected to the upper surface.”

1. Point of Law Overlooked: Claims are to be interpreted, not rewritten.

2. Supporting Case Law: *Kaufman v. Microsoft Corp.*, 34 F. 4th 1360 (Fed. Cir. 2022); *Nazomi Communications v. ARM Holdings, PLC*, 403 F. 3d 1364 (Fed. Cir. 2005); *Karlin Technology, Inc. v. Surgical Dynamics, Inc.*, 117 F. 3d 968 (1999).

3. Supporting Argument: The limitation in issue was not a subject of the *Markman* proceedings. Notwithstanding, the Panel rewrote that limitation, stating “a lateral edge that is an ‘extension of the upper surface’ in claim 1 simply means a lateral edge that is connected to the upper surface.” (Doc. 52; page 15). The express language of claim 1 is “the upper surface of each lateral edge portion comprising an extension of the upper surface of the body.” The word “extension” in the claim is not simply a “connection” as presented in the Panel’s definition.

The adjective “connected” has the common meaning of “united, joined or linked” in reference to a connective relationship of elements. In contrast, an “extension” deals with a single element of a continuing nature. (See Dictionary.com for “extension,” “connection,” and “connected”). The claim presents the upper surface of each lateral edge portion as an extension of the upper surface of the body; there is one surface that is a continuum and not two surfaces that are united, joined or linked. Changing the word “extension” to “connected” changes the entire meaning of the claim limitation. Such rewriting is proscribed by law. *Kaufman*, 34 F. 4th at 1373; *Nazomi Communications*, 403 F. 3d at 1368-1369.

The rule of claim differentiation is satisfied by the limitation as written. *Karlin Technology*, 117 F. 3d at 971-972. Acceptance of the claim term “extension” as used in claim 1 is not limited to “the lateral edge portions [being] smoothly tapered” as in claim 5, nor as being “smoothly curved” as in claim 3. Claims 1, 3, and 5 are clearly differentiated as written.

D. The Panel misapprehended the appeal in finding dependent claims of the ‘664 Patent invalid over Dorenbusch, when no argument of invalidity regarding those dependent claims was ever made of record in the appeal by either argument or in the Appendix.

1. Point of Law Overlooked: Validity is assessed on a claim-by-claim basis and on appeal, the court is constrained to the record before it.
2. Supporting Case Law: *Sandt Technology Ltd. v. Resco Metal and Plastics Corporation*, 264 F. 3d 1344 (Fed. Cir. 2001); and *Optivus Technology, Inc. v. Ion Beam Applications S.A.*, 469 F. 3d 978, 989 (Fed. Cir. 2006).
3. Supporting Argument: In its briefing before this Court, Shieldmark never mentioned or argued the invalidity of the dependent claims, but only independent claims 1 and 11. There was, accordingly, nothing before the Panel to overcome the presumption of validity enjoyed by all claims. *Sandt Technology*, 264 F. 3d at 1356. In footnote 3, the Panel appears to adopt the blanket statement that Exhibit C to Shieldmark’s invalidity brief and charts in response to the district court’s July 17, 2022 Order (Appx1343-1579) carries the day. But, that Exhibit C is not a part of the Appendix here. Rather, footnote 3 identifies Exhibit C as Dkt. No. 148-3 from the district court record, filed in response to the district court’s Order (Dkt. No. 142) noting deficiencies in Shieldnmark’s invalidity contentions and requesting supplementation. Appellee-Defendants filed their supplementation (Dkt. No. 148) with a detailed chart (Dkt. No. 148). Plaintiffs-Appellants filed

their response a week later (Dkt. No. 155). Because Plaintiffs' Validity Contentions (Dkt. No. 78-1) was not challenged by the district court, no amendment was made to its 16 pages challenging in detail the application of Dorenbusch to each of the asserted claims. The resort of the Panel outside of the record on appeal was both improper and incomplete.

Shieldmark's briefs neither mention nor argue the dependent claims, nor do they advance any contention of waiver. Shieldmark has waived any argument pertaining to the invalidity of the asserted dependent claims and as to any purported waiver by Appellants. *Optivus Technology, Inc.*, 469 F. 3d at 989.

The Panel erred in finding a waiver that was never presented on appeal, and in going outside of the record on appeal for evidence of invalidity, which is not evidence at all, but attorney argument advanced in the district court but never presented before this Court.

E. The Panel misapprehended the appeal by treating the entirety of the '664 Patent in its invalidity determination, when only the asserted claims were the subject of the motion and all others were expressly excluded.

1. Point of Law Overlooked: Assessment of invalidity is on a claim-by-claim basis.
2. Supporting Case Law: *Sandt Technology Ltd. v. Resco Metal and Plastics Corporation*, 264 F. 3d 1344 (Fed. Cir. 2001).

3. Supporting Argument: Defendant's invalidity brief and charts in response to the court's July 17, 2022 Order (Appx1343 et seq.) limits its motion to the asserted claims of the '664 Patent, to wit claims 1, 2, 3, 5, 6, 10, 11, 12, 13, 15, 16, 20, and 21. It identifies independent claims 1 and 11 and the dependent claims associated with each. (Appx1343). Throughout its brief, Shieldmark makes repeated reference to only the "asserted claims" in arguing invalidity. (eg. Appx1347, Appx1351). There has never been an assertion of infringement or contention of invalidity of claims 4, 7-9, 14, 17, 18, and 19 of the '664 Patent. Yet Shieldmark sought and obtained a general ruling that the '664 Patent was invalid and the district court granted it. (Appx22). The Panel found "no error in the district court's grant of summary judgment of anticipation by Dorenbusch." (Doc. 52, p. 14). The district court erred in its ruling that the '664 Patent is invalid, rather than stating the specific claims that have been asserted in the litigation and that were expressly identified as the asserted claims in the relevant motion. *Sandt Technology*, 264 F. 3d at 1356.

F. The Panel overlooked the audience to which the product advertising statements and illustrations were directed in determining that the statements were not unambiguously false.

1. Point of Law Overlooked: In assessing issues of ambiguity and puffery, the intended audience for an advertisement is foundational.

2. Supporting Case Law: *American Council, Cert. Pod. v. American Bd. of Podiatric Surgery, Inc.*, 185 F. 3d 606, 613 (6th Cir. 1999).

3. Supporting Argument: Despite the fact (a) that the product in issue “is directed to floor marking tape of the sort used in industrial facilities” (Doc. 52, p. 2); (b) that the patent in issue identifies the patented product as one “used to mark...factory floors” (Col. 1, ll. 21-22); and (c) that then-existing tape products had the “drawback [of] the edge of the tape is prone to being caught on floor cleaning devices or skids,” (Col. 1, ll. 29-30) the determination that the advertising statements in issue were not “unambiguously false” was in error because it gave no consideration to the audience to which the advertising is directed, which audience would immediately recognize and understand the claims being made by the advertising as being a cure to a long-felt problem attendant to marking factory floors.

The advertising statements at issue are:

(1) Mighty Line Floor Tape’s “[b]eveled edge tape can take a beating from industrial wheel traffic”; (2) “Mighty Line Floor Tape withstands industrial brush scrubbers, forklifts, and heavy industrial wheel traffic”; and (3) Mighty Line Floor Tape’s “[b]eveled edges increase durability for forklift traffic.” (Appx1208-1209; Doc. 52, p. 16).

The Panel failed to assess a key fact, whether those statements would tend to or actually deceive a substantial portion of the intended audience. *American Council*, 185 F. 3d at 613.

The products in issue are directed to floor marking tape of the sort used in industrial factories or facilities. With prior products, the edge of the tape was prone to being caught on floor-cleaning devices or skids. The advertisements in issue address those problems to a particular market - - to an audience of plant engineers and facility administrators for such factories and facilities. Those people would clearly understand the importance of the three asserted phrases, particularly when those phrases are presented in association with a product having beveled edges and the phrases themselves address tools such as forklifts, pallets, scrubbers and the like. Neither the district court nor the Panel have demonstrated a consideration of the audience to whom the advertisements are targeted and what that audience would understand from the advertisements. The advertisements are not puffery that would lead a reader to guess whether the forceful engagement was “the lightest touch” or “a nuclear bomb” as both the district court and the Panel have suggested. (Doc. 52, p. 17). The accused false statements are factual, empirically verifiable, and would be understood as such by consumers of floor marking tape. (Blue Brief, pp 42-46). Before the advent of the patented product, that market was confronted with failed attempts to place durable marking on industrial floors that would not be defeated by forklifts, pallets, scrubbers and the like and that would be susceptible to damages of the type imparted by that equipment, not light touching nor nuclear bombs.

II. Based on my professional judgment, I believe this appeal requires an answer to a precedential setting question of exceptional importance—can a district court consider and rule on a motion for summary judgment of invalidity and issue an alternate ruling after first ruling that the plaintiffs lacked Article III standing - - which could not be cured.

A principal ground for the rehearing and rehearing en banc here is that the Panel overlooked that the district court first found both Plaintiffs-Appellants lacked Article III standing denying them subject matter jurisdiction and yet proceeded to issue an alternative judgment of patent invalidity. The district court next issued sanctions against Plaintiffs-Appellants finding a “causal connection” between Plaintiffs-Appellants’ having hidden their loss of subject matter jurisdiction thereby preventing Defendants-Appellees from moving for summary judgment sooner, delaying the case.

Having found that it lacked subject matter jurisdiction, the district court lacked all authority to consider and rule on Defendants-Appellees’ Motion for Summary Judgment of Invalidity. Moreover, the district court dismissed the case with prejudice. Because it did so, for lack of subject matter jurisdiction, that left no case or controversy regarding the validity of the ‘664 Patent. As such, the district court should have dismissed the case. Instead, the district court issued an advisory opinion.

Plaintiffs-Appellants raised and argued this issue for primary consideration in their Principal Brief, immediately after disputing the district court’s decisions that

both Plaintiffs-Appellants lacked Article III standing. (Blue Cover pp.3, 37-38).

Plaintiffs-Appellants' supported their argument citing to Justice Scalia's opinion in *Steel Co. v. Citizens For A Better Environment*, 523 U.S. 83, 118 S. Ct. 1003 (1998).

In *Steel*, Justice Scalia wrote as follows:

Without jurisdiction, the Court cannot proceed at all in any causes. Jurisdiction is power to declare the law, and when it ceases to exist, the only function remaining to the Court is that of announcing the fact and dismissing the cause.

As further expressed by Judge Scalia, such conclusion should not come as a surprise since it is reflected in the long venerable line of cases. Justice Scalia cited *Ex Parte McCordle*, 7 Wall 506, 514, 19 L.Ed. 264 (1868). Judge Scalia also cited *Mansfield, C. & L.M.R. Co. v. Swan*, 111 U.S. 379, 382, 4 S.Ct. 510, 511, 28 L.Ed. 462 (1884) in which it is said that the requirement that jurisdiction be established as a threshold matter springs from the nature and limits of judicial power of the United States and is "inflexible and without exception."

While some of the above cases [cited in his opinion] must be acknowledged to have diluted the absolute purity of the Rule that Article III jurisdiction is always an antecedent question, none of them even approaches approval of a doctrine of 'hypothetical jurisdiction' that enables a Court to resolve contested questions of law when its jurisdiction is in doubt. Hypothetical jurisdiction produces nothing more than a hypothetical judgment - - which comes to the same thing as an advisory opinion, disapproved by the Court from the beginning.

Notably, this case did not even involve circumstances of a difficult question of jurisdiction. While the Supreme Court has sanctioned the resolution of matters on the merits, while reserving the question of jurisdiction, the district court below *determined the absence of subject matter jurisdiction yet proceeded to determine the validity of the ‘664 Patent*.

Having been raised and supported as such, the issue should have been a primary consideration of the Panel. Failing to consider it led the Panel to misapprehend as proper the district court’s findings that Lowe lost Article III standing, that Defendants-Appellees were delayed in filing for summary judgment of patent invalidity, and that the ‘664 Patent is invalid in its entirety. Not considering this issue also led the Panel to misapprehend “bad faith” on the part of Plaintiffs-Appellants for having fought the district court’s dismissal of their patent infringement claim.

WHEREFORE,

Rehearing is respectfully requested to reconsider whether:

- Lowe retained Article III standing in view of the express language of the PLA and the intent of the parties as discerned therefrom;
- sanctions are inappropriate because of the absence of delay given Spota never lost standing and therefore the district court's finding of bad faith due to delay was wrong;
- changing the claim term "extension" to "connection" was improper as a proscribed rewriting of claim 1;
- the alleged invalidity of the dependent claims was waived;
- the 664' Patent as a whole could be held invalid when not all claims were asserted; and
- the audience must be taken into consideration in determining whether an advertisement is unambiguously false.

Rehearing en banc is respectfully requested for the reason that, having found it lacked subject matter jurisdiction, the district court should have dismissed the case without prejudice in accordance with the Supreme Court's ruling in *Steel*.

Dated: April 10, 2025

Respectfully submitted,

/s/Ray L. Weber

Ray L. Weber (0006497)

Laura J. Gentilcore(0034702)

RENNER, KENNER, GREIVE, BOBAK,

TAYLOR & WEBER

106 South Main Street, Suite 400

Akron, Ohio 44308

Telephone: (330) 376-1242

Email: rlweber@rennerkenner.com

Email: ljgentilcore@rennerkenner.com

Attorneys for Plaintiffs-Appellants,

*Clifford A. Lowe and Spota, LLC, fka InSite
Solutions, LLC*

FORM 19. Certificate of Compliance with Type-Volume Limitations

Form 19
July 2020

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATIONS

Case Number: 2023-1786, 2023-1871 and 2023-1893

Short Case Caption: Lowe v. Shieldmark, Inc.

Instructions: When computing a word, line, or page count, you may exclude any items listed as exempted under Fed. R. App. P. 5(c), Fed. R. App. P. 21(d), Fed. R. App. P. 27(d)(2), Fed. R. App. P. 32(f), or Fed. Cir. R. 32(b)(2).

The foregoing filing complies with the relevant type-volume limitation of the Federal Rules of Appellate Procedure and Federal Circuit Rules because it meets one of the following:

- ☒ the filing has been prepared using a proportionally-spaced typeface and includes 3,889 words.
- ☐ the filing has been prepared using a monospaced typeface and includes _____ lines of text.
- ☐ the filing contains _____ pages / _____ words / _____ lines of text, which does not exceed the maximum authorized by this court's order (ECF No. _____).

Date: 04/10/2025

Signature: /s/Ray L. Weber

Name: Ray L. Weber

Addendum

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

**CLIFFORD A. LOWE, SPOTA LLC, FKA INSITE
SOLUTIONS, LLC,**
Plaintiffs-Appellants

v.

**SHIELDMARK, INC., CROWN EQUIPMENT
CORPORATION, ADVANCED PLASTICS, INC.,**
Defendants-Cross-Appellants

2023-1786, 2023-1871, 2023-1893

Appeals from the United States District Court for the
Northern District of Ohio in No. 1:19-cv-00748-JG, Judge
James S. Gwin.

Decided: March 24, 2025

RAY L. WEBER, Renner, Kenner, Greive, Bobak, Taylor
& Weber, Akron, OH, argued for plaintiffs-appellants. Also
represented by LAURA J. GENTILCORE.

DAVID J. SHEIKH, Lee Sheikh & Haan LLC, Chicago, IL,
argued for defendants-cross-appellants. Also represented
by JAMES F. MCCARTHY, III, HOWARD WERNOW, Sand,
Sebolt & Wernow Co., LPA, Canton, OH.

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

BRYSON, *Circuit Judge*.

This patent case is before us following remand proceedings in the district court. The parties have raised numerous issues on appeal. We affirm the district court’s decision on the issues of patent invalidity and false advertising under the Lanham Act, and on most of the procedural issues raised by the parties. We vacate and remand on one of the issues bearing on the sanctions imposed against the plaintiffs.

I

Clifford A. Lowe is the inventor on U.S. Patent No. 10,214,664 (“the ’664 patent”), which is directed to floor marking tape of the sort used in industrial facilities. Independent claim 1 of the ’664 patent recites:

1. A floor marking tape adhered to a floor wherein the floor marking tape establishes a boundary on the floor; the combination comprising:

...

The upper surface of each lateral edge portion comprising an extension of the upper surface of the body;

The lower surface of each lateral edge portion being a flat coplanar extension of the lower surface of the body;

The entire body of each lateral edge portion being tapered with the upper surface of the first lateral edge portion extending to the lower surface of the first lateral edge portion and the upper surface of the second lateral edge portion extending to the

lower surface of the second lateral edge portion

'664 patent, col. 5, ll. 2–32.

Independent claim 11 recites:

11. A floor marking tape adhered to a floor wherein the floor marking tape establishes a boundary on the floor; the combination comprising:

. . .

The entire body of each lateral edge portion being tapered with the upper surface of the first lateral edge portion extending to the lower surface of the first lateral edge portion to meet at a first junction and the upper surface of the second lateral edge portion extending to the lower surface of the second lateral edge portion to meet at a second junction;

The first and second junctions disposed on the uppermost surface of the floor such that the floor marking tape limits unintentional lifting of the floor marking tape from the floor

Id. at col. 6, ll. 1–32.

Briefly summarized, the complex procedural history of this case is as follows:

In 2019, Lowe and Spota LLC filed a patent infringement action against the three defendants, which are involved in manufacturing, distributing, and selling floor marking tape under the trade name “Mighty Line.” Dkt. No. 1 (Original Complaint). The plaintiffs alleged that Lowe was the owner of the '664 patent and that Spota (which at that time was known as InSite Solutions LLC, a North Carolina limited liability company) was the exclusive licensee of the patent. Spota later added a claim against ShieldMark, one of the defendants, for false advertising in violation of the Lanham Act. The defendants

counterclaimed, alleging that the '664 patent was invalid and was unenforceable due to inequitable conduct.

Based on its claim construction rulings, the district court granted the defendants' motion for summary judgment of non-infringement. On appeal, we vacated the district court's claim construction order and remanded the case for further proceedings. *Lowe v. ShieldMark, Inc.*, No. 2021-2164, 2022 WL 636100 (Fed. Cir. March 4, 2022).

On remand, the district court entered several significant orders. First, in light of intervening events, the court held that neither Lowe nor Spota had standing to sue on the patent. In the alternative, the court held that the asserted claims of the '664 patent were anticipated by a prior art reference, U.S. Patent No. 6,120,395 ("Dorenbusch"). The court also granted the defendants' motion for summary judgment on the plaintiffs' false advertising claim under the Lanham Act.

The court awarded attorney's fees and costs to the defendants under 35 U.S.C. § 285 as well as its inherent power to sanction. The court, however, declined to award fees based on inequitable conduct. The plaintiffs have appealed from the court's dismissal order, and the defendants have appealed from the court's order denying fees for inequitable conduct.

II

A

The defendants' standing argument is based on two transactions executed while this case was pending before this court on the plaintiffs' first appeal.

On December 9, 2021, Lowe and Spota executed an agreement referred to as the Patent Rights Assignment, in which Lowe transferred to Spota his "entire right, title and interest" in the '664 patent, including "any cause(s) of

action and damages accruing prior to this assignment.” App. 1803.

A week later, on December 16, 2021, Spota and InSite Solutions, LLC, a Delaware limited liability company (“InSite DE”) executed a Patent License Agreement (“PLA”). Under the PLA, Spota granted InSite DE a non-exclusive license to practice the ’664 patent, as well as the right to sublicense the patent. App. 1809. In addition, Spota granted InSite DE an exclusive option to acquire the ’664 patent and agreed not to transfer any ownership right in the patent or any claims of infringement of the patent to any third party. App. 1810.

Section 2.3 of the PLA provided that “Lowe as owner, and [Spota] as exclusive licensee, of the Licensed Patents prior to [December 16, 2021], retain the exclusive rights to elect to maintain, control, and settle the ShieldMark Litigation,” and that “Lowe and [Spota] shall bear all costs associated therewith and enjoy any recovery therefrom.” *Id.* The clause further provided that “Lowe and [Spota] also retain the exclusive rights to enforce the Licensed Patents for recovery of damages for infringement prior to [December 16, 2021].” *Id.*

B

To establish standing under Article III of the Constitution, a plaintiff must have “(1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision.” *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016).

It is undisputed that Lowe and Spota had Article III standing when they first filed their claim of patent infringement. The question is whether they lost standing to pursue that claim in December 2021 when Lowe assigned his patent rights to Spota and Spota granted a non-exclusive license to InSite DE with the right to sublicense.

“[T]he touchstone of constitutional standing in a patent infringement suit is whether a party can establish that it has an exclusionary right in a patent that, if violated by another, would cause the party holding the exclusionary right to suffer legal injury.” *WiAV Sols. LLC v. Motorola, Inc.*, 631 F.3d 1257, 1265 (Fed. Cir. 2010). “A patent owner has exclusionary rights as a baseline matter unless it has transferred all exclusionary rights away.” *Intell. Tech LLC v. Zebra Techs. Corp.*, 101 F.4th 807, 816 (Fed. Cir. 2024). A “shared ability to license” does not divest the patent owner of all exclusionary rights. *Id.*

The Article III standing inquiry is distinct from analyzing whether a plaintiff is a “patentee” under 35 U.S.C. § 281 that is entitled to sue for infringement. *See id.* at 814. The term “patentee,” as defined in 35 U.S.C. § 100(d), includes not only the patentee to whom the patent was issued but also the successors in title to the patentee. It does not include mere licensees. *Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.*, 925 F.3d 1225, 1229 (Fed. Cir. 2019). “[W]hether a party possesses all substantial rights in a patent does not implicate [Article III] standing or subject-matter jurisdiction.” *Id.* at 1235–36.

Because Article III standing is a threshold jurisdictional issue, we first address whether Spota has retained an exclusionary right. It is undisputed that Spota currently owns the ’664 patent and that InSite DE is a non-exclusive licensee. *See* Blue Br. at 21; Red Br. at 19, 28. Spota did not give InSite DE an “express or implied promise that others shall be excluded from practicing the invention,” meaning that Spota remains free to license other parties. *Rite-Hite Corp. v. Kelley Co., Inc.*, 56 F.3d 1538, 1552 (Fed. Cir. 1995) (en banc). Contrary to the defendants’ argument, Spota’s right to license has not been rendered illusory by its agreement not to “assign or transfer to any third party any ownership right or interest” in the ’664 patent. *See* App. 1810. A nonexclusive license is not an ownership right, but merely “a promise by the licensor not

to sue the licensee.” *Jim Arnold Corp. v. Hydrotech Sys., Inc.*, 109 F.3d 1567, 1577 (Fed. Cir. 1997); *see also Ulead Sys., Inc. v. Lex Comput. & Mgmt. Corp.*, 351 F.3d 1139, 1147 (Fed. Cir. 2003) (“It is well settled that a non-exclusive licensee of a patent has only a personal and not a property interest in the patent.”).

Spota has an exclusionary right sufficient to establish Article III standing even if InSite DE has an unrestricted right to sublicense. *See Intell. Tech.*, 101 F.4th at 816 (“IT still suffers an injury in fact from infringement even if IT and Main Street can both license the patent.”). As stated in Judge Lourie’s additional views in *Uniloc USA, Inc. v. Motorola Mobility LLC*, 52 F.4th 1340, 1351 (Fed. Cir. 2022), the fact that a “licensee could preempt . . . a suit by granting a sublicense . . . is a far cry from holding that the patent owner, simply by having granted a non-exclusive license with the right to sublicense, loses the power to sue an unlicensed infringer.”

In addition to having Article III standing, Spota, as the assignee of the ’664 patent, may sue in its own name. As an initial matter, we reject the defendants’ argument that neither Spota nor InSite DE has all substantial rights in the ’664 patent and that those rights “are in a state of suspension.” Red Br. at 28. Under the facts of this case, if Spota did not transfer all substantial rights to InSite DE, then Spota has necessarily retained those rights. Patent rights do not exist in the ether.

That Spota did not transfer all substantial rights to InSite DE is evident from the fact that InSite DE received only a non-exclusive license. “[A] nonexclusive licensee suffers no legal injury from infringement.” *Sicom Sys. Ltd. v. Agilent Techs., Inc.*, 427 F.3d 971, 976 (Fed. Cir. 2005). The PLA makes clear that InSite DE does not have the right to sue for any infringement that occurred prior to December 16, 2021, and that its right to sue for any infringement occurring after that date is conditioned on its exercise of the

option to acquire the '664 patent. *See* App. 1809–10. Because InSite DE has not yet exercised that option, the fact that it may one day acquire the right to sue is irrelevant for purposes of assessing whether it has all substantial rights as of the present. *See Intell. Tech.*, 101 F.4th at 817 (“[I]t is clear that assignment must be evaluated based on the actual transfer of rights, not mere ability” to obtain those rights).

The defendants nevertheless argue that Spota lacks all substantial rights, contending that Spota has only a “hunting license” that “does not equate to a right to enforce.” Red Br. at 20. The defendants further argue that any right to enforce the patent is rendered illusory by InSite DE’s right to sublicense, citing *Speedplay, Inc. v. Bebo, Inc.*, 211 F.3d 1245, 1251 (Fed. Cir. 2000) and *Lone Star*, 925 F.3d at 1231. *Id.*¹

The defendants’ arguments are not persuasive. First, Spota does not have a mere “hunting license,” i.e., a contractual arrangement that grants only the right to sue for infringement without any proprietary interest in the

¹ Citing the Asset Purchase Agreement, the defendants argue that Lowe and Spota no longer have the right to practice the '664 patent. Red Br. at 21. Specifically, the defendants assert that Lowe, on behalf of himself and Spota, “agreed that he and his company would not manufacture or sell floor markers or floor tape.” *Id.* The defendants, however, made no argument related to the Asset Purchase Agreement before the district court. *See* App. 1786–1801. In any event, the Asset Purchase Agreement simply defines Lowe (not Spota) as a “Restricted Party” and provides that Lowe will not engage or participate in a competing business for a limited number of years. *See* App. 2811–12. A prohibition against practicing the patent in the future does not deprive a party of its right to sue on the patent.

patent. See *Prima Tek II, L.L.C. v. A-Roo Co.*, 222 F.3d 1372, 1381 (Fed. Cir. 2000); *Ortho Pharm. Corp. v. Genetics Inst., Inc.*, 52 F.3d 1026, 1034 (Fed. Cir. 1995). To the contrary, Spota has the “entire right, title and interest” in the ’664 patent through the Assignment on December 9, 2021, as acknowledged by the PLA. See App. 1811 (Spota’s representation that “it is the owner of all right, title and interest in and to the Licensed Patents and has all legal rights necessary to grant the licenses provided for in this Agreement”). Second, neither *Speedplay* nor *Lone Star* suggests that Spota lacks the right to sue because of InSite DE’s right to sublicense.

In *Speedplay*, we concluded that all substantial rights had been transferred to an exclusive licensee, which had received the right to enforce the asserted patent as well as the right to sublicense. See 211 F.3d at 1250–51. The licensors, however, had retained the right to enforce the patent if the exclusive licensee did not. *Id.* at 1251. Regarding the licensors’ right to sue, we held that the right was “illusory, because [the exclusive licensee] can render that right nugatory by granting the alleged infringer a royalty-free sublicense.” *Id.* That may also be true of Spota’s right to enforce, given InSite DE’s unrestricted right to sublicense. However, unlike the licensee in *Speedplay*, InSite DE has only a non-exclusive license and lacks any right to enforce the ’664 patent. *Speedplay* therefore does not support finding that Spota has transferred all substantial rights to InSite DE.

In *Lone Star*, the agreement at issue purported to transfer “all right, title and interest” in the asserted patents while imposing several limits on the transferee. 925 F.3d at 1227. The transferee received the right to sue entities specifically listed in the agreement, but the transferor retained the right to sublicense the patents to unlisted entities, among other rights. *Id.* at 1228. In concluding that the transferor retained the right to sue under the patents, we noted that the transferee’s enforcement

rights were “illusory, at least in part” because of the transferor’s right to sublicense. *Id.* at 1231. However, the transferor in *Lone Star* had rights in addition to the right to sublicense that ensured that it “will always control how the patents are asserted.” *Id.* at 1233. InSite DE lacks any such rights.

Accordingly, Spota has Article III standing and remains the “patentee,” entitled to sue for infringement.

C

“Generally, one seeking money damages for patent infringement must have held legal title to the patent at the time of the infringement.” *Rite-Hite Corp.*, 56 F.3d at 1551; *see also Moore v. Marsh*, 74 U.S. 515, 522 (1868) (“[A] subsequent assignee or grantee can neither maintain an action in his own name, or be joined with the patentee in maintaining it for any infringement of the exclusive right committed before he became interested in the patent.”). But “[a] party may sue for past infringement transpiring before it acquired legal title if a written assignment expressly grants the party a right to do so.” *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1367 (Fed. Cir. 2010).

Because Lowe owned the ’664 patent until December 9, 2021, any infringement of the patent before that date harmed Lowe as the patent owner. *See Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 41 (1923) (“[T]he injury inflicted by an act of infringement falls upon the individual who owns the monopoly at the date of the infringement.”). On December 9, 2021, however, Lowe expressly conveyed to Spota his “entire right, title and interest” in the ’664 patent, including “any cause(s) of action and damages accruing prior to this assignment.” App. 1803. That express and unambiguous transfer of the right to sue for infringement prior to December 9, 2021, has deprived Lowe of Article III standing in this case.

Before the district court, the plaintiffs sought to overcome the clear implication of the Assignment by arguing that “[w]ith Lowe’s assignment of ownership of the ‘664 patent to [Spota], [Spota] granted Lowe the exclusive right to continue to assert infringement against alleged infringers of the ‘664 patent during his ownership of the ‘664 patent, expressly including against ShieldMark.” App. 2703. According to the plaintiffs, “[t]he grant of the exclusive right to sue ShieldMark for patent infringement did not have to be in writing because the law does not require licenses to be in writing—only assignments.” *Id.* Although the district court agreed that the license agreement did not have to be in writing, the court found that “Lowe has not presented adequate evidence that an exclusive license agreement exists.” App. 11.

There is no clear error in that finding of jurisdictional fact. *See Abraxis Bioscience*, 625 F.3d at 1363 (“To the extent any jurisdictional facts are in dispute . . . the findings of fact are reviewed for clear error.” (cleaned up)). The record contains no evidence of when the alleged oral agreement took place; there is only attorney argument on appeal that it was “subsequent[]” to the Assignment on December 9, 2021. Blue Br. at 29. Moreover, the only evidence that the plaintiffs point to for both the existence and the substance of the oral agreement is the PLA. In particular, the plaintiffs rely on Section 2.3 of the PLA, which recites that InSite DE “acknowledges and agrees that Lowe as owner, and [Spota] as exclusive licensee, of the Licensed Patents prior to the Effective Date,² retain the exclusive rights to elect to maintain, control, and settle the ShieldMark

² Section 2.3 does not accurately reflect the dates of the transfer of rights. The Effective Date of the PLA is December 16, 2021. The Assignment, however, was executed on December 9, 2021, so that Lowe was no longer the owner past that date.

Litigation.” App. 1810. That statement, however, makes no reference to an oral licensing agreement. If anything, its reference to Lowe as simply the prior “owner” of the patent cuts against the existence of an oral licensing agreement that has changed his status to an exclusive licensee.

Because the district court did not clearly err by finding inadequate evidence of an oral licensing agreement, we need not address whether any agreement that returned Lowe’s right to sue for infringement prior to December 9, 2021, would have constituted a mere “hunting license.” Lowe lost standing on December 9, 2021, when he transferred his “entire right, title and interest” in the ’664 patent, including the right to sue for past infringement during the time he owned the patent.

III

Because we hold that Spota has Article III standing and qualifies as a “patentee” that may sue in its own name, we turn to the district court’s alternative ruling that the ’664 patent is anticipated by the Dorenbusch patent.

Claim 1 of Dorenbusch recites:

1. A rearrangeable marking system for temporarily marking a defined area on a hard floor or ground surface without interfering with use of the surface, said rearrangeable marking system comprising a set of individual spot markers with each said individual spot marker made of a synthetic polymeric material, each said individual spot marker further having (i) a substantially flat low profile with a thickness of from about 100 mils to about 300 mils, (ii) peripheral edges beveled downwardly at an about 30 degree to about 60 degree angle to the horizontal, (iii) a non-slip bottom surface for resisting lateral forces, and (iv) a textured top surface, whereby each said individual spot marker when placed on the surface resists lateral forces to

remain in place yet is readily lifted from the surface for movement to another area or to storage.

App. 66, col. 4 ll. 2–16.

The plaintiffs’ argument to the district court that Dorenbusch does not disclose every limitation of the ’664 patent was based solely on two limitations. *See* App. 1042–43 (the plaintiffs’ initial briefing on anticipation), App. 1676–77 (the plaintiffs’ post-remand briefing, which is identical to the initial brief). First, the plaintiffs argued that Dorenbusch does not disclose that “the upper surface of each lateral edge portion [comprises] an extension of the upper surface of the body,” as claimed in independent claim 1 (the “extension of the upper surface” limitation). App. 1676. Second, the plaintiffs argued that Dorenbusch does not disclose that the tape “limits unintentional lifting of the floor marking tape from the floor,” as claimed in independent claim 11 (the “limits unintentional lifting” limitation). App. 1677. The plaintiffs made no argument about the “securing” limitation found in claims 1 and 11 or any limitation found in the dependent claims. They have therefore waived any argument that Dorenbusch does not disclose those limitations.³

³ The plaintiffs’ waiver is clear in light of the 28-page long chart that the defendants filed as an exhibit to their brief, which goes through each claim of the ’664 patent and asserts why each limitation is anticipated by Dorenbusch. *See* App. 1347 (“Exhibit C clearly and convincingly demonstrates that each and every restriction, element, and limitation of the asserted claims of the ’664 patent is present in the Dorenbusch patent.”); Dkt. No. 148-3 (Exhibit C). The defendants filed their brief a week before the plaintiffs, but the plaintiffs chose not to address any limitation other than the “extension of the upper surface” limitation and the “limits unintentional lifting” limitation.

As to the two limitations in dispute, the plaintiffs first argue that Dorenbusch does not disclose the “extension of the upper surface” limitation because “[a]s apparent from the drawing of Fig. 4 of [Dorenbusch] . . . the edges 13 are sharply cut and are separate and distinct from the top surface of the marker, not an extension of the top surface as required by the claims of the ‘664 patent.” Blue Br. at 40. The plaintiffs, however, do not explain the basis for their assertion that “separate and distinct side surfaces” do not constitute an “extension of the top surface.”⁴ *Id.*; *see also* Yellow Br. at 20 (arguing that the surfaces of the walls of a room are “clearly not” extensions of the surface of the ceiling and that the four distinct sides of a trapezoid are not “an extension of the other”). At most, the plaintiffs argue that “[a] smooth transition at the edge is required for sliding or dragging pallets, skids, and the like across a factory floor as with the invention of the ‘664 Patent.” Blue Br. at 40–41.

Next, the plaintiffs argue that Dorenbusch does not disclose the “limits unintentional lifting” limitation because the title and abstract of Dorenbusch characterize the spot markers as “temporarily marking a surface” and being “readily lifted from the surface” on which they are placed. *Id.* at 41. The plaintiffs also point out that Dorenbusch uses an adhesive as merely an option and that the Dorenbusch specification states that “[a]n adhesive with a low degree of adhesion is used so as not to unduly make difficult the spot marker’s removal from the surface.” *Id.* (quoting App. 66, col. 3, ll.18–20).

We find no error in the district court’s grant of summary judgment of anticipation by Dorenbusch. Based on

⁴ The parties’ joint proposed claim construction to the district court did not include the term “extension.” *See* App. 1486–95.

LOWE v. SHIELDMARK, INC.

15

the disputed limitations, no reasonable jury could find that Dorenbusch does not anticipate the '664 patent.

“[A]n independent claim should not be construed as requiring a limitation added by a dependent claim.” *Curtiss-Wright Flow Control Corp. v. Velan, Inc.*, 438 F.3d 1374, 1380 (Fed. Cir. 2006). We therefore do not read claim 1 of the '664 patent as requiring the “upper surface of the body [to be] smoothly curved between the lateral edge portions” (claim 3) or “the upper surfaces of the lateral edge portions [to be] smoothly tapered” (claim 5). '664 patent, col. 5, ll. 40–41, 46–47. Based on that differentiation, a lateral edge that is an “extension of the upper surface” in claim 1 simply means a lateral edge that is connected to the upper surface. And Dorenbusch recites a spot marker that has “peripheral edges beveled downwardly at an about 30 degree to about 60 degree angle to the horizontal.” App. 66, col. 4, ll. 9–11. No reasonable jury could find that those peripheral edges of Dorenbusch are not “an extension of the upper surface” of the spot markers.

Dorenbusch further recites a spot marker that has “a non-slip bottom surface for resisting lateral forces,” *id.* at col. 4, ll. 11–12, and the Dorenbusch specification states that the “non-slip bottom surface . . . resists lateral forces to remain in place during use,” App. 65, col. 1, ll. 55–57. By its terms, limiting unintentional lifting does not foreclose intentional lifting of the floor marking tape. No reasonable jury could find that Dorenbusch fails to disclose the “limits unintentional lifting” limitation.

Accordingly, the district court did not err in granting summary judgment for the defendants on their counter-claim of patent invalidity.

IV

The plaintiffs next object to the district court’s dismissal of their claim of false advertising under the Lanham Act. The Lanham Act prohibits any person from using in

commerce any “false or misleading description of fact” in commercial advertising or promotion that misrepresents the nature, characteristics, or qualities of that person’s goods. 15 U.S.C. § 1125(a)(1)(B). Liability arises under the Lanham Act if the commercial message “is either (1) literally false or (2) literally true or ambiguous but has the tendency to deceive consumers.” *Innovation Ventures, LLC v. N.V.E., Inc.*, 694 F.3d 723, 735 (6th Cir. 2012) (cleaned up). As it did below, Spota argues that ShieldMark’s statements regarding is “Mighty Line” tape were literally false.

“Only an unambiguous message can be literally false.” *Id.* at 737 (cleaned up). “[R]easonable consumers know that marketing involves some level of exaggeration—what the law calls ‘puffery.’” *Wyson Corp. v. APN, Inc.* (17-1975), 889 F.3d 267, 271 (6th Cir. 2018). “Courts thus view Lanham Act claims challenging hyperbolic advertising with a skeptical eye.” *Id.*; see also *Interactive Prods. Corp. v. a2z Mobile Off. Sols., Inc.*, 326 F.3d 687, 699 (6th Cir. 2003) (“[M]ere puffery . . . is not actionable under the Lanham Act.”).

The three advertising statements at issue in this case are: (1) Mighty Line Floor Tape’s “[b]eveled edge tape can take a beating from industrial wheel traffic”; (2) “Mighty Line Floor Tape withstands industrial brush scrubbers, forklifts, and heavy industrial wheel traffic”; and (3) Mighty Line Floor Tape’s “[b]eveled edges increase durability for forklift traffic.” App. 26–27.

Spota argues that those statements are literally false because ShieldMark “necessarily admitted . . . its product unintentionally lifts from the floor.” Blue Br. at 44. That is, Spota points out that ShieldMark asserted non-infringement on the basis that the Mighty Line tape does not satisfy the claim limitation requiring that the product “limits unintentional lifting of the floor marking tape from the floor.” *Id.* Spota also points out that ShieldMark argued that the Mighty Line tape was no different from its

previous product, DuraStripe, and that DuraStripe had a disclaimer that it was “not warranted against damage caused by items pushed or dragged across the product, such as skids or pallets.” *Id.* at 45.

Even assuming that the Mighty Line floor tape can be unintentionally lifted from the floor, no reasonable jury could find that statements about “increase[d] durability” or “withstand[ing]” or “tak[ing] a beating” from industrial wheel traffic were unambiguously false.⁵ Each of those terms accommodates variations in degrees. As the district court put it, “Defendant’s statements make no measurable promises other than that Mighty Line Floor Tape probably falls somewhere between tape that disintegrates at the lightest touch and tape strong enough to survive a nuclear bomb.” App. 28. Moreover, “[t]hose terms can just as easily refer to a tape’s ability to resist abrasion, discoloration, or deformation when forklifts and other machines pass over it.” *Id.*

⁵ Spota suggests in its reply brief that those statements are literally false because the Mighty Line tape does not even have “beveled edges” to begin with. *See* Yellow Br. at 25. But that argument is waived. In addition to being raising it only in the reply brief, Spota asserted below that “Plaintiffs have never alleged that the accused tape does not have ‘beveled edges’; rather, Plaintiffs have always alleged the accused tape does not have the claimed edges.” App. 2096.

Spota also makes an argument based on *Novartis Consumer Health, Inc. v. Johnson & Johnson-Merck Consumer Pharm. Co.*, 290 F.3d 578, 586 (3d Cir. 2002), for the first time in the reply brief. Because that argument was not raised in Spota’s opening brief, it has been waived.

The district court did not err in granting summary judgment on Spota's false advertising claim.

V

Following the 2022 remand to the district court, Lowe and Spota filed a motion to recuse or disqualify Judge Gwin. App. 1238. The court denied the motion, and the plaintiffs have appealed.

The Sixth Circuit “reviews decisions denying . . . motions to recuse under the abuse of discretion standard.” *Youn v. Track*, 324 F.3d 409, 422 (6th Cir. 2003) (cleaned up). The court “must have a definite and firm conviction that the trial court committed a clear error of judgment before reversing under the abuse of discretion standard.” *Id.* (cleaned up).

In *Liteky v. United States*, 510 U.S. 540 (1994), the Supreme Court set out the pertinent principles that apply to judicial recusal. “First, judicial rulings alone almost never constitute a valid basis for a bias or partiality motion,” and “[a]lmost invariably, they are proper grounds for appeal, not for recusal.” *Id.* at 555. “Second, opinions formed by the judge on the basis of facts introduced or events occurring in the course of the current proceedings, or of prior proceedings, do not constitute a basis for a bias or partiality motion unless they display a deep-seated favoritism or antagonism that would make fair judgment impossible.” *Id.* “Thus, judicial remarks during the course of a trial that are critical or disapproving of, or even hostile to, counsel, the parties, or their cases, ordinarily do not support a bias or partiality challenge.” *Id.*

The facts alleged in Lowe's affidavit (as well as in the affidavits of plaintiffs' counsel, Ray L. Weber and Laura J. Gentilcore) focus on various statements the court made in proceedings, in addition to orders the court entered regarding scheduling, supplemental briefing, and the substitution of an expert witness. See App. 1254–65, 2714–20.

Those facts fail to support a “definite and firm conviction that the trial court committed a clear error of judgment.” *Youn*, 324 F.3d at 422. Accordingly, there was no abuse of discretion in the district court’s denial of the plaintiffs’ recusal motion.

VI

A

The district court awarded the defendants fees and costs incurred in litigating the plaintiffs’ patent infringement claim from December 2021 onwards, in the amount of \$213,765.⁶ App. 43. The district court cited both 35 U.S.C. § 285 and its inherent power to sanction as independent grounds for the award. *See id.* at 37–39. We affirm the award under the district court’s inherent power to sanction, which we review for an abuse of discretion. *Youn*, 324 F.3d at 420. It is therefore unnecessary to address the parties’ arguments regarding section 285.

A district court has inherent power to “assess attorney’s fees when a party has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.” *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45–46 (1991) (cleaned up). The court may assess attorney’s fees against a party that “shows bad faith by delaying or disrupting the litigation.” *Id.* at 46. “The imposition of inherent power sanctions requires a finding of bad faith, or conduct tantamount to bad faith.” *Youn*, 324 F.3d at 420 (cleaned up).

⁶ Although the district court awarded fees and costs beginning in December 2021, the defendants submitted fee tables only from May 2022 because the case was inactive at the district court level until April 2022, when we remanded the case from the first appeal. App. 41 n.46. The district court accepted the defendants’ fee calculation.

The district court found that the plaintiffs' actions from December 2021 onwards "strongly support an inference of bad faith." App. 38. Specifically, the court found that early on in discovery, the defendants had "requested production of any documents relating to ownership and licensing of the '664 patent" and that the only response the plaintiffs made in July 2019 was that there were "no responsive documents." App. 37. The district court further found that by December 16, 2021, after both the Assignment and the PLA were executed, the plaintiffs knew that they now had documents responsive to the request and that they had a duty to supplement their discovery responses under Federal Rule of Civil Procedure 26(e)(1)(A). *Id.* The district court found that, despite such knowledge, "Plaintiffs (1) took no initiative to supplement their productions; (2) refused to produce the ownership and license documents when confronted by Defendants; and (3) filed a Fourth Amended Complaint in which Plaintiffs explicitly misrepresented to Defendants and to this Court the status of the patent." *Id.*

The plaintiffs argue that they did not "hide" the change in ownership since a copy of the Assignment was publicly available. Blue Br. at 55. The plaintiffs also argue that the Assignment and the PLA had "no impact" on Lowe or Spota's "Article III or prudential standing," suggesting that the non-disclosure of those documents was therefore harmless or not in bad faith. *Id.* Finally, the plaintiffs point to the fact that they produced the PLA to the defendants in July 2022, "within 14 days after the issue was first raised by Defendants." *Id.* at 56. The plaintiffs, however, do not dispute that they did not take the initiative to supplement their discovery responses, nor do they deny that they misrepresented the state of ownership in the Fourth Amended Complaint, which was filed nearly six months after the transactions in December 2021, and in which the plaintiffs identified Lowe as the patent owner and Spota as the exclusive licensee.

In their reply brief, the plaintiffs assert that they admitted in the district court that they had mischaracterized the status of Lowe and Spota in their Fourth Amended Complaint. Yellow Br. at 36. They also assert that discovery “was over before the transfer” and that after remand, they were “not looking at supplementation” because “they were knee-deep in addressing allegations of invalidity, as the district court directed briefing on the issue.” *Id.* at 36–37.

Factual findings underlying sanctions based on the district court’s inherent powers are reviewed for clear error. *Youn*, 324 F.3d at 420. Applying that standard, we defer to the district court’s implied finding that the plaintiffs’ misrepresentation in the Fourth Amended Complaint was not merely an honest mistake. Moreover, the duty to supplement discovery responses under Rule 26(e) continues even after the discovery period has closed. *See L.A. Terminals, Inc. v. United Nat’l Ins. Co.*, 340 F.R.D. 390, 396 (C.D. Cal. 2022) (collecting cases).

We discern no clear error in the district court’s finding of bad faith conduct by the plaintiffs that prejudiced the defendants. Lowe lost Article III standing after the Assignment, and the plaintiffs’ conduct delayed litigation with respect to Lowe’s patent infringement claim. We therefore affirm the district court’s award under its inherent power to sanction.

B

The district court also invoked its inherent power to sanction in awarding the defendants fees and costs they incurred when they moved to seal an expert report that the plaintiffs filed. App. 39.⁷ Local Patent Rule 2.2 for the

⁷ The district court held that although Federal Rule of Civil Procedure 37(b) ordinarily governs discovery sanctions, the rule “does not appear to encompass sanctions for

Northern District of Ohio provides that “[p]ending entry of a protective order, discovery and disclosures deemed confidential by a party shall be produced to the adverse party for the eyes of outside counsel of record only, marked ‘Attorney’s Eyes Only Subject to Protective Order[]’. . . and shall not be disclosed to the client or any other person.” The district court found that the plaintiffs violated that rule by filing on the court’s public docket an expert report that “disclosed information Defendants had marked as Attorney’s Eyes Only.” *Id.* at 40. At the time of the filing, no protective order had been entered by the court.

The district court, however, made no finding that the plaintiffs acted in bad faith when filing that expert report. *See id.* at 39–40. Nor did the district court make a finding that Spota and Lowe’s conduct was tantamount to bad faith. *Id.* Because the district court did not make the necessary findings to invoke its inherent power to sanction, *see Youn*, 324 F.3d at 420, we vacate the district court’s award of \$4,750 for fees and costs arising from the plaintiffs’ violation of Local Patent Rule 2.2 and remand for the required findings.

VII

The defendants also sought fees for Lowe’s inequitable conduct before the PTO, pointing to a photograph that Lowe submitted during the prosecution of the ’664 patent. The photograph shows two floor tapes side by side with no other information than the statement that one was on sale prior to 2004 and the other on sale in 2018. *See App.* 1988. The defendants assert that Lowe was not forthcoming about the prior-art DuraStripe tape and submitted the

violations of local discovery rules.” *App.* 39. The court thus relied on its inherent power to sanction, which exists to “fill in the interstices” not covered by sanction statutes and rules. *Id.* at 39–40 (quoting *Chambers*, 501 U.S. at 46).

photograph of DuraStripe floor tape “without identifying it as the prior-art DuraStripe floor tape with ‘unique beveled edges’ that Lowe had advertised, distributed, and sold through Insite Solutions more than one year before the . . . priority date of the ‘664 Patent.” Gray Br. at 4–5.

“Inequitable conduct includes affirmative misrepresentation of a material fact, failure to disclose material information, or submission of false material information, coupled with an intent to deceive.” *Bd. of Educ. Ex rel. Bd. of Trs. of Fla. State Univ. v. Am. Bioscience, Inc.*, 333 F.3d 1330, 1343 (Fed. Cir. 2003). We review for clear error the district court’s determination of “whether the conduct meets a threshold level of materiality” and “whether the evidence shows a threshold level of intent to mislead the PTO.” *Id.*; see also *Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1365 (Fed. Cir. 2008) (holding that the accused infringer must prove both materiality and intent to deceive by clear and convincing evidence). It is only after the threshold levels of materiality and intent have been established that the district court is required to weigh them and “determine whether the applicant’s conduct is so culpable that the patent should be held unenforceable.” *Am. Bioscience*, 333 F.3d at 1343. “We review the district court’s ultimate determination of inequitable conduct under an abuse of discretion standard.” *Id.*

The district court found that “Lowe did not hide the existence of DuraStripe or the possibility of prior art entirely” and that “[b]ecause there was some limited effort to disclose, Defendants have not established by clear and convincing evidence that Lowe intended to and did withhold material information.” App. 36. We find no clear error to those threshold determinations made by the district court, even considering the defendants’ expert report and the defendants’ argument on the difference that further information would have been material to the prosecution. We therefore affirm the district court’s finding on inequitable conduct.

Each party shall bear its own costs for this appeal.

**AFFIRMED IN PART, VACATED AND REMANDED
IN PART**