

No. 25-_____

In the
Supreme Court of the United States

ORTIZ & ASSOCIATES CONSULTING, LLC,
Petitioner,

v.

VIZIO, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United
States Court of Appeals for the Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether a non-practicing patent owner that does not manufacture or sell any patented article, and has not granted any ongoing license authorizing third parties to do so, has any obligation under 35 U.S.C. § 287(a) to ensure that unrelated third-party products are marked with patent notice, or to plead compliance with § 287(a) in its complaint.
2. Whether a patent owner's textually grounded and precedent-based legal position on an unresolved question of statutory interpretation—specifically, whether this Court's decisions in *Wine Railway Appliance Co. v. Enterprise Railway Equipment Co.*, 297 U.S. 387 (1936), and *Dunlap v. Schofield*, 152 U.S. 244 (1894), exempt non-practicing entities from § 287(a)'s marking requirements—can properly support a finding that the case is "exceptional" under 35 U.S.C. § 285 and *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014), thereby authorizing mandatory attorney fee awards against the patent owner.
3. Whether the First Amendment and this Court's sham-litigation doctrine impose a **categorical prohibition** on courts using settlement offers—including offers below the cost of defense or labeled "nuisance value"—as

evidence supporting fee-shifting under 35 U.S.C. § 285, absent a finding that the underlying litigation is both objectively baseless and subjectively brought in bad faith under *Professional Real Estate Investors, Inc. v. Columbia Pictures Industries, Inc.*, 508 U.S. 49 (1993).

PARTIES TO THE PROCEEDINGS

The parties to the proceeding in the court whose judgment is sought to be reviewed (the Federal Circuit Court of Appeals) are:

Petitioner

- Petitioner Ortiz & Associates Consulting, LLC was plaintiff-appellant below.

Respondent

- Respondent Vizio, Inc. was defendant-appellee below.

STATEMENT OF RELATED CASES

None.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, Petitioner Ortiz & Associates Consulting, LLC states that it has no parent corporation and no publicly held company owns 10% or more of its stock.

LIST OF PROCEEDINGS BELOW

- 1) Case 3:23-cv-00791-N Ortiz & Associates Consulting LLC v. Vizio Inc. in the Northern District of Texas

- 2) Case No. 2024-1783 *Ortiz & Associates Consulting, LLC v. Vizio, Inc.* in the US Federal Circuit Court of Appeals

TABLE OF CONTENTS

QUESTIONS PRESENTED	i
PARTIES TO THE PROCEEDINGS	iii
STATEMENT OF RELATED CASES	iii
CORPORATE DISCLOSURE STATEMENT	iii
LIST OF PROCEEDINGS BELOW	iv
TABLE OF AUTHORITIES	x
OPINIONS BELOW	1
JURISDICTION.....	1
STATUTORY PROVISIONS	2
STATEMENT OF THE CASE.....	3
A. Statutory and Doctrinal Background	4
1. The Patent Marking Statute.....	4
2. This Court's Interpretation in Wine Railway and Dunlap	5
3. The Federal Circuit's Expansion of Marking Obligations.....	6
4. The "Exceptional Case" Standard Under Octane Fitness.....	7
B. Facts and Procedural History	8
1. Petitioner's Non-Practicing Status	8
2. District Court Proceedings.....	8
3. The Exceptional Case Finding and Fee Award.....	10

C. Federal Circuit Decision.....	10
1. The Marking Issue	11
2. The Exceptional Case Finding.....	12
3. Consideration of Settlement Offers Absent Sham Litigation.....	12
REASONS FOR GRANTING THE WRIT	15
I. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH THIS COURT'S PRECEDENTS INTERPRETING THE PATENT MARKING STATUTE.....	13
A. Wine Railway Holds That Non-Producing Patentees Have No Marking Obligation.....	14
1. Wine Railway's Holding	14
2. Wine Railway Controls This Case	16
3. The District Court's "Implied License" Theory Conflicts with Wine Railway	17
B. Dunlap Confirms the Conditional Nature of the Marking Requirement.....	18
1. Dunlap's Conditional Language	19
2. The Federal Circuit Ignored Dunlap's Conditional Language	19
3. Dunlap and Wine Railway Form a Coherent Framework	20

- C. The Federal Circuit's Universal Marking Requirement Contradicts Wine Railway and Dunlap 21
 - 1. The Decision Creates an Atextual Pleading Rule..... 22
 - 2. The Decision Imposes Impossible Burdens on Non-Practicing Entities 23
 - 3. The Decision Undermines Wine Railway's Core Rationale..... 23
 - 4. Only This Court Can Resolve the Conflict.24

II. THE DECISION BELOW CREATES AN IMPERMISSIBLE NEW PLEADING RULE THAT PUNISHES REASONABLE LEGAL POSITIONS AS "EXCEPTIONAL" IN VIOLATION OF OCTANE FITNESS 25

- A. The Decision Imposes a Universal Pleading Obligation Untethered from Statutory Text. 25
 - 1. Federal Circuit Precedents Do Not Override Wine Railway 27
 - 2. The Decision Conflicts with Established Pleading Standards..... 27

- B. Treating a Reasonable Legal Position as "Exceptional" Conflicts with Octane Fitness 28
 - 1. Octane Fitness's Flexible Standard 28
 - 2. This Case Involves No Comparable Misconduct 29
 - 3. The Decision Punishes Petitioner for Legal Positions, Not Litigation Conduct 30

4. The Decision Improperly Resolves Unsettled Legal Questions Through Fee Awards.....	31
C. The Decision Creates Intolerable Uncertainty for Patent Owners	32
III. THIS COURT'S PRECEDENTS ESTABLISH A PER SE RULE: SETTLEMENT CONDUCT IS IMMUNE ABSENT SHAM LITIGATION	33
A. Absent a finding of sham litigation, settlement offers may not be used for any adverse purpose	33
B. The decision below creates an impermissible third category foreclosed by Noerr-Pennington	34
C. Section 285 and Octane Fitness do not authorize courts to penalize protected settlement conduct.....	34
D. The Federal Circuit's own "nuisance value" precedents confirm—rather than undermine— the per se rule	35
E. The rule below conflicts with this Court's recognition that small claims and small settlements are lawful	36
F. A categorical rule is necessary and administrable	36

IV. THE QUESTIONS PRESENTED ARE IMPORTANT, RECURRING, AND WARRANT THIS COURT'S REVIEW.....	37
A. The Decision Affects Every Non-Practicing Patent Owner	37
1. The Scope of the Affected Class.....	37
2. The Practical Impact.....	38
3. The Impact on Innovation and Technology Transfer	39
B. The Decision Chills Reasonable Advocacy and Settlement	41
1. Chilling Effect on Advocacy	41
2. Impact on Settlement Negotiations.....	41
3. Encouraging Opportunistic Fee Motions ..	49
C. Only This Court Can Resolve the Conflict Between Wine Railway and the Federal Circuit's Interpretation.....	43
1. The Federal Circuit Will Not Correct Its Own Error	43
2. The Issue Is Fully Developed and Teed Up for Review	44
3. The Questions Warrant This Court's Review Under Rule 10.....	45
4. The Importance of the Questions Justifies Immediate Review	46
V. CONCLUSION	47

TABLE OF AUTHORITIES

Cases

<i>AdjustaCam, LLC v. Newegg, Inc.</i> , 861 F.3d 1353 (Fed. Cir. 2017).....	35
<i>Arctic Cat Inc. v. Bombardier Recreational Products Inc.</i> , 876 F.3d 1350 (Fed. Cir. 2017).....	7, 11, 16, 22
<i>Ashcroft v. Iqbal</i> , 556 U.S. 662 (2009)	27
<i>Bell Atlantic Corp. v. Twombly</i> , 550 U.S. 544 (2007)	27, 29
<i>Blackbird Tech LLC v. Health in Motion LLC</i> , 944 F.3d 910 (Fed. Cir. 2019).....	35
<i>Blake v. Robertson</i> , 94 U.S. 728 (1877)	36
<i>Dunlap v. Schofield</i> , 152 U.S. 244 (1894) ..	i, 5, 11, 13, 19, 20, 26
<i>Eon-Net LP v. Flagstar Bancorp</i> , 653 F.3d 1314 (Fed. Cir. 2011).....	35
<i>Globetrotter Software, Inc. v. Elan Computer Group, Inc.</i> , 362 F.3d 1367 (Fed. Cir. 2004).....	33
<i>Lumen View Tech. LLC v. Findthebest.com, Inc.</i> , 811 F.3d 479 (Fed. Cir. 2016).....	35
<i>Maxwell v. J. Baker, Inc.</i> , 86 F.3d 1098 (Fed. Cir. 1996).....	6, 16, 17
<i>Octane Fitness, LLC v. ICON Health & Fitness, Inc.</i> , 572 U.S. 545 (2014)	i, 3, 8, 29, 30
<i>Ortiz & Associates Consulting, LLC v. Vizio, Inc.</i> , No. 2024-1783, 2025 WL 3653227 (Fed. Cir. Dec. 17, 2025)	1

<i>Professional Real Estate Investors, Inc. v. Columbia Pictures Industries, Inc.</i> , 508 U.S. 49 (1993)	ii, 33, 34, 47
<i>Providence Rubber Co. v. Goodyear</i> , 76 U.S. 788 (1869)	4
<i>Rembrandt Wireless Technologies, LP v. Samsung Electronics Co.</i> , 853 F.3d 1370 (Fed. Cir. 2017).....	7, 16
<i>SFA Sys., LLC v. Newegg Inc.</i> , 793 F.3d 1344 (Fed. Cir. 2015).....	34
<i>Thermolife Int'l LLC v. GNC Corp.</i> , 922 F.3d 1347 (Fed. Cir. 2019).....	35
<i>Wine Railway Appliance Co. v. Enterprise Railway Equipment Co.</i> , 297 U.S. 387 (1936) ...	i, 3, 5, 14, 16-18, 20, 21, 23, 24, 26, 38-40

Constitutional Provisions & Statutes

U.S. Const. art. I, § 8, cl. 8.....	39
28 U.S.C. § 1254(1)	1
28 U.S.C. § 1295(a)(1)	24, 43
35 U.S.C. § 49.....	4
35 U.S.C. § 285.....	i, ii, 2, 7
35 U.S.C. § 287(a)	i, 2, 4, 19, 20, 22, 26, 30
Rev. Stat. § 4900	4, 5, 14, 15

Rules & Regulations

Fed. R. Civ. P. 12(b)(6).....	8
Sup. Ct. R. 10	14, 45
Sup. Ct. R. 29.6	iii

**IN THE
SUPREME COURT OF THE UNITED STATES
PETITION FOR WRIT OF CERTIORARI**

The Petitioner respectfully prays that a writ of certiorari issue to review the judgment.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit (App-1 to App-12) is reported at *Ortiz & Associates Consulting, LLC v. Vizio, Inc.*, No. 2024-1783, 2025 WL 3653227 (Fed. Cir. Dec. 17, 2025). The order of the United States District Court for the Northern District of Texas granting attorney fees (App-13 to App-24) is unreported. The order of the United States District Court for the Northern District of Texas dismissing the complaint with prejudice (App-25 to App-34) is unreported

JURISDICTION

The Federal Circuit entered judgment on December 17, 2025. App. 1. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS

35 U.S.C. § 287(a) provides in relevant part:

Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word "patent" or the abbreviation "pat.", together with the number of the patent, or by fixing thereon the word "patent" or the abbreviation "pat." together with an address of a posting on the Internet.... In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice.

35 U.S.C. § 285 provides:

The court in exceptional cases may award reasonable attorney fees to the prevailing party.

The full text of these provisions is reproduced at App. 18.

STATEMENT OF THE CASE

This case presents fundamental questions about the scope of the patent marking statute and the proper application of this Court's "exceptional case" standard for attorney fee awards. The Federal Circuit has effectively rewritten both statutes—imposing a universal marking obligation on all patent owners regardless of whether they manufacture products, and then punishing reasonable disagreement with that novel interpretation as "exceptional" litigation conduct warranting mandatory fee awards.

The decision below cannot be reconciled with this Court's precedents. It directly conflicts with *Wine Railway Appliance Co. v. Enterprise Railway Equipment Co.*, 297 U.S. 387 (1936), which held that non-producing patent owners have no obligation under the marking statute and suffer no damages limitation for failure to mark. It also misapplies *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014), by treating a patent owner's textually grounded and precedent-based legal position as so "substantively weak" as to render the case "exceptional"—even though that position rests squarely on this Court's binding authority.

This Court's review is urgently needed to restore the proper interpretation of both statutes and to prevent the Federal Circuit from penalizing patent owners who advance reasonable legal arguments grounded in this Court's precedents.

A. Statutory and Doctrinal Background

1. The Patent Marking Statute

The patent marking statute has required patent owners to provide notice of their patent rights for over 180 years. The original 1842 Act provided that patent owners who manufactured patented articles could give notice by stamping or engraving the patent date on the articles. Act of Aug. 29, 1842, ch. 263 § 6, 5 Stat. 544-45. The 1861 Act imposed a damages limitation: if the patent owner failed to mark, it could not recover damages unless it proved actual notice to the infringer. Act of Mar. 2, 1861, ch. 88, 12 Stat. 249; *Providence Rubber Co. v. Goodyear*, 76 U.S. 788 (1869).

The modern marking statute derives from the 1870 Patent Act, which codified the marking requirement at Rev. Stat. § 4900. That provision was later recodified as 35 U.S.C. § 49 in 1952, and is now codified at 35 U.S.C. § 287(a). Throughout this evolution, the statutory text has consistently limited the marking requirement to situations where patented articles are actually placed into commerce.

Section 287(a) provides that "**patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them**" may give notice by marking. 35 U.S.C. § 287(a) (emphasis added). The statute imposes a damages limitation only when there is a "failure so to mark"—that is, only when marking was possible

because patented articles were being made or sold "for or under" the patent owner.

2. This Court's Interpretation in *Wine Railway and Dunlap*

This Court has twice interpreted the marking statute to confirm that it applies only when the patent owner (or someone acting "for or under" the patent owner) actually places patented articles into commerce. In *Dunlap v. Schofield*, 152 U.S. 244 (1894), this Court held that "the patentee or his assignee, **if he makes or sells the article patented**, cannot recover damages against infringers of the patent, unless he has given notice of his right" through marking or actual notice. *Id.* at 247-48 (emphasis added). The Court's use of the conditional "if" makes clear that the marking requirement is not universal—it applies only when the patent owner "makes or sells the article patented." *Id.*

In *Wine Railway Appliance Co. v. Enterprise Railway Equipment Co.*, 297 U.S. 387 (1936), this Court squarely addressed whether a non-producing patent owner is subject to the marking statute's damages limitation. The patent owner in *Wine Railway* had never "manufactured or vended an article under the infringed patent[.]" and no one had done so with its consent. *Id.* at 393. The accused infringer argued that the patent owner's failure to provide notice under Rev. Stat. § 4900 (the predecessor to § 287(a)) limited its damages. This Court rejected that argument. The Court held that

where "neither petitioner nor another with its consent has ever manufactured or vended an article under the infringed patent[.]" the patent owner could recover damages from the date of patent issuance without any prior marking or actual notice. *Id.* at 393-394. The Court explained that "**penalty for failure implies opportunity to perform[.]**" and it would be unreasonable to impose a marking penalty when "**no article is made or vended[.]**" *Id.* at 394-95 (emphasis added). The Court emphasized that patent issuance and recordation "constitute notice to the world of [the patent's] existence," and that non-producing patent owners retained their common-law right to damages without any additional notice requirement. *Id.* at 393.

3. The Federal Circuit's Expansion of Marking Obligations

In recent decades, the Federal Circuit has developed a body of caselaw addressing marking obligations in various contexts. In *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098 (Fed. Cir. 1996), the court held that a patent owner's licensees must comply with § 287(a), and that a non-manufacturing patent owner can satisfy the statute by making "reasonable efforts" to ensure its licensees' compliance. *Id.* at 1111-12. Critically, *Maxwell* involved a patent owner that had granted an express practicing license, licensed products were being sold, and the patent owner had a contractual relationship giving it leverage to require marking. *Id.* at 1101-03.

In *Rembrandt Wireless Technologies, LP v. Samsung Electronics Co.*, 853 F.3d 1370 (Fed. Cir. 2017), the Federal Circuit held that a patent owner could not avoid § 287(a) by surrendering claims mid-litigation after years of allowing unmarked licensed products to be sold. *Id.* at 1382-83. Again, the case involved undisputed licensed products practicing the patent. *Id.*

In *Arctic Cat Inc. v. Bombardier Recreational Products Inc.*, 876 F.3d 1350 (Fed. Cir. 2017), the court established a burden-shifting framework: once an accused infringer identifies specific unmarked products that were sold and that allegedly practice the patent, the burden shifts to the patent owner to show those products do not practice or fall within an exception. *Id.* at 1366-68.

None of these Federal Circuit decisions addressed—much less overruled—*Wine Railway's* holding that non-producing patent owners without practicing licensees have no marking obligation and suffer no damages limitation.

4. The "Exceptional Case" Standard Under Octane Fitness

Section 285 authorizes district courts to "award reasonable attorney fees to the prevailing party" in "exceptional cases." 35 U.S.C. § 285. In *Octane Fitness*, this Court rejected the Federal Circuit's rigid framework and held that "an 'exceptional' case is simply one that stands out from others with respect to

the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated." 572 U.S. at 554. The Court emphasized that district courts must consider "the totality of the circumstances" and apply a "case-by-case" analysis with "discretion." *Id.*

B. Facts and Procedural History

1. Petitioner's Status as a Non-Practicing Entity

Petitioner Ortiz & Associates Consulting, LLC ("Ortiz") is the assignee of two patents: U.S. Patent Nos. 9,147,299 and 9,549,285. Ortiz is a non-practicing entity—it does not manufacture, sell, or import any products. The complaint alleged no manufacturing or sales activity by Ortiz, and no ongoing license authorizing any third party to make or sell products "for or under" Ortiz. Both asserted patents had expired before suit was filed, so Ortiz's damages claim was limited to pre-suit infringement during the patents' term.

2. The District Court Proceedings

Ortiz filed suit against Respondent Vizio, Inc. in the Northern District of Texas, alleging patent infringement. Vizio moved to dismiss under Federal Rule of Civil Procedure 12(b)(6), arguing *inter alia* that Ortiz had failed to plead compliance with § 287(a). Vizio cited *Arctic Cat* and argued that Ortiz

bore the burden of pleading marking compliance. App-161-165.

Ortiz filed an amended complaint that dropped certain claims but did not address the marking issue. Ortiz took the position that as a non-practicing entity with no practicing licensees, it had no obligation under § 287(a) to mark or to plead marking compliance.

Vizio filed a second motion to dismiss, again raising the marking issue. The district court granted the motion and dismissed the complaint with prejudice. App. 5-12 The district court provided two independent grounds for dismissal, both based on § 287(a):

First, the court found that prior dismissals with prejudice of Ortiz's lawsuits against Panasonic and Roku "function[ed] as the equivalent of a license" and triggered marking obligations. App. 9-10 The court reasoned that these dismissals gave Panasonic and Roku implied rights to practice the patents, making them "licensees" whose products Ortiz was obligated to ensure were marked.

Second, the court held that "even if those dismissals did not constitute licenses," Ortiz's "failure to plead compliance with the marking statute provides an independent basis for dismissal." The court faulted Ortiz for not pleading marking compliance despite being "apprised of the need" to do so in Vizio's first motion to dismiss.

3. The Exceptional Case Finding and Fee Award

Following dismissal, Vizio moved for attorney fees under § 285, § 1927, and the court's inherent powers. The district court granted fees under § 285, finding the case "exceptional." The district court's "exceptional case" finding rested on four factors: (1) Ortiz's position was "substantively weak" because it "knew, or should have known" its complaint stated no viable damages theory given § 287(a), yet failed to plead marking compliance even after being notified of the issue; (2) Ortiz's litigation conduct was "unreasonable" because it failed to comply with discovery deadlines; (3) Ortiz made a settlement demand "unrelated to the merits" and "below the cost of defense"; and (4) Ortiz had a "history" of filing and dismissing cases involving the asserted patents. Critically, the district court found that the first factor—the purported substantive weakness of Ortiz's legal position on marking—was central to its exceptional case determination. The court reasoned that because the Federal Circuit's *Arctic Cat* decision required patent owners to plead marking compliance, Ortiz's failure to do so rendered its litigation position substantively weak.

C. The Federal Circuit's Decision

The Federal Circuit affirmed in a non-precedential opinion. App. 13-15

1. The Marking Issue

The Federal Circuit held that Ortiz had a duty to plead compliance with § 287(a) despite being a non-practicing entity with no ongoing practicing licensees. The court acknowledged that "patent law has required that a patentee either mark patented articles or provide notice to an accused infringer as a prerequisite to recovering damages for the sale of infringing articles" for over 150 years. (citing *Dunlap*, 152 U.S. at 247-48). The court stated that "[t]he patentee is responsible for marking or providing notice" and "bears the burden of both pleading and proving that it complied with section 287(a)'s marking requirements." (citing *Arctic Cat*, 876 F.3d at 1366).

Critically, however, the Federal Circuit did not cite or discuss *Wine Railway*. The court did cite *Dunlap*, but only for the proposition that patent owners bear the burden of pleading marking compliance—omitting *Dunlap*'s conditional language that the marking requirement applies only "if [the patentee] makes or sells the article patented." (citing *Dunlap*, 152 U.S. at 247-48) (emphasis added).

The Federal Circuit thus faulted Ortiz for failing to plead marking compliance or explain why it had no marking duty, despite Ortiz's position—never addressed by the court—that non-practicing entities are exempt from marking obligations entirely.

2. The Exceptional Case Finding

The Federal Circuit affirmed the exceptional case finding, holding that the district court did not abuse its discretion. On the substantive weakness factor, the court held that "Ortiz had a 'substantively weak' litigation position because Ortiz 'knew, or should have known, that its complaint stated no viable damages theory,' yet it failed to correct that deficiency in its first amended complaint, despite being apprised of the need to plead compliance with the patent marking statute." The court emphasized that Ortiz was informed of that deficiency in its complaint when Vizio filed its first motion to dismiss, yet Ortiz failed to take any steps in its first amended complaint to correct the problem or indicate why it was not a fatal defect. That failure highlights the weakness of Ortiz's litigating position.

On the litigation conduct factor, the court upheld consideration of Ortiz's litigation history and settlement demands. The Federal Circuit concluded that "based on all the factors considered by the district court," the court did not abuse its discretion in finding the case exceptional.

3. Consideration of Settlement Offers Absent Sham Litigation

The decision below affirms a fee award under § 285 based in part on petitioner's settlement demand, which the district court labeled "nuisance value." The court treated that offer as evidence of improper

litigation conduct without finding that petitioner's claims were objectively baseless or brought in subjective bad faith.

The Federal Circuit endorsed that approach, permitting courts to rely on settlement conduct as part of the "totality of the circumstances" even in concededly non-sham cases. *Id.*

REASONS FOR GRANTING THE WRIT

This Court's review is warranted for three independent reasons. First, the Federal Circuit's decision directly conflicts with this Court's precedents interpreting the patent marking statute, specifically *Wine Railway* and *Dunlap*. Second, the decision misapplies *Octane Fitness* by treating a reasonable, precedent-based legal position as "exceptional" litigation conduct warranting fee awards. Third, the questions presented are important, recurring, and affect every non-practicing patent owner in the country.

I. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH THIS COURT'S PRECEDENTS INTERPRETING THE PATENT MARKING STATUTE

The decision below cannot be reconciled with this Court's holdings in *Wine Railway* and *Dunlap*. Those decisions establish that the patent marking statute applies only when the patent owner (or someone "for or under" the patent owner) actually

makes or sells patented articles. Where no such articles are in commerce, there is no marking obligation and no corresponding damages limitation. The Federal Circuit's contrary rule—that all patent owners must plead marking compliance regardless of whether they or anyone "for or under" them practices the patent—effectively rewrites the statute and overrules this Court's binding precedents. That conflict warrants certiorari under Supreme Court Rule 10(a) and (c).

A. Wine Railway Holds That Non-Producing Patentees Have No Marking Obligation

Wine Railway squarely addressed whether a non-producing patent owner is subject to the marking statute's damages limitation. The answer was an unequivocal "no."

1. Wine Railway's Holding

In *Wine Railway*, the patent owner had never "manufactured or vended an article under the infringed patent[.]" and no one had done so with its consent. 297 U.S. at 393. The accused infringer argued that the patent owner's failure to comply with the marking statute (then codified at Rev. Stat. § 4900) limited its damages to post-notice infringement only. This Court rejected that argument and held that the patent owner could recover damages from the date of patent issuance without any prior marking or actual notice. *Id.* The Court's reasoning rested on three fundamental principles:

First, the Court held that "**penalty for failure implies opportunity to perform.**" *Id.* at 394-95 (emphasis added). The Court explained that it would be unreasonable to impose a marking penalty when "**no article is made or vended**" because the patent owner has no opportunity to mark non-existent articles. *Id.* (emphasis added).

Second, the Court traced the evolution of the marking statutes from the 1842 and 1861 Acts through the 1870 Act (Rev. Stat. § 4900), and concluded that the 1870 revision "**was not [intended] to impose a new and different burden upon non-producing patentees**" or to "deprive" them of their pre-existing right to full damages. *Id.* at 395-98 (emphasis added).

Third, the Court emphasized that patent issuance and recordation "constitute notice to the world of [the patent's] existence[.]" and that non-producing patent owners retained their common-law right to damages without any additional notice requirement. *Id.* at 393.

The Court's holding was categorical: where "neither petitioner nor another with its consent has ever manufactured or vended an article under the infringed patent[.]" the marking statute does not apply, and the patent owner may recover full damages without marking or actual notice. *Id.* at 393.

2. Wine Railway Controls This Case

Petitioner's situation is indistinguishable from *Wine Railway*. Like the patent owner in *Wine Railway*, Petitioner:

- Does not manufacture or sell any patented articles;
- Has not authorized anyone to manufacture or sell patented articles "for or under" it; and
- Therefore has no "opportunity to perform" any marking obligation.

The Federal Circuit never cited or discussed *Wine Railway*. Instead, the court imposed a universal marking obligation on all patent owners, regardless of whether they practice their patents or authorize others to do so. App-4-6. That holding directly contradicts *Wine Railway*'s core principle that "penalty for failure implies opportunity to perform." 297 U.S. at 394-95.

The Federal Circuit's reliance on *Maxwell*, *Rembrandt*, and *Arctic Cat* does not overcome *Wine Railway*. Those Federal Circuit decisions all involved patent owners that had granted express practicing licenses, and licensed products were being sold in commerce. *Maxwell*, 86 F.3d at 1101-03; *Rembrandt*, 853 F.3d at 1382-83; *Arctic Cat*, 876 F.3d at 1355-57. None of those cases addressed—much less overruled—*Wine Railway*'s holding that non-producing patent owners without practicing

licensees have no marking obligation. Indeed, *Maxwell* expressly recognized that its "reasonable efforts" standard presupposes the existence of practicing licensees: "A patentee's licensees must also comply with § 287, because the statute extends to 'persons making or selling any patented article for or under [the patentee].'" 86 F.3d at 1111 (emphasis added). Where there are no such persons, *Maxwell's* framework does not apply.

3. The District Court's "Implied License" Theory Conflicts with *Wine Railway*

The district court attempted to avoid *Wine Railway* by finding that Petitioner's prior dismissals with prejudice against Panasonic and Roku "function[ed] as the equivalent of a license" that triggered marking obligations. That theory cannot be reconciled with *Wine Railway* for three reasons.

First, *Wine Railway* held that the marking statute applies only where the patent owner or "another **with its consent**" manufactures or vends articles under the patent. 297 U.S. at 393 (emphasis added). A dismissal with prejudice of a past infringement claim does not constitute "consent" to future manufacturing or sales. To the contrary, such dismissals typically resolve only past liability and do not grant any prospective rights.

Second, even if the dismissals could be characterized as implied licenses, there is no evidence in the record that Panasonic or Roku were actually manufacturing

or selling products that practiced the asserted patents at the time suit was filed against Vizio. *Wine Railway* requires not just a license, but actual manufacturing or vending of articles "under the infringed patent." 297 U.S. at 393. The district court made no such finding.

Third, the district court's theory would effectively impose exactly the kind of "new and different burden upon non-producing patentees" that *Wine Railway* rejected. 297 U.S. at 397-98. Under the court's reasoning, any patent owner that settles or dismisses a case with prejudice automatically assumes a perpetual obligation to monitor and ensure marking of the former defendant's products—even though the patent owner has no contractual relationship, no manufacturing control, and no practical ability to compel marking.

The Federal Circuit acknowledged that Petitioner "could have argued that those settlements merely resolved Ortiz's claims of past infringement by those companies and did not give them the right to practice the asserted patents in the future." But the court faulted Petitioner for not making that argument below. *Id.*

B. Dunlap Confirms the Conditional Nature of the Marking Requirement

This Court's earlier decision in *Dunlap* likewise establishes that the marking requirement is conditional, not universal.

1. Dunlap's Conditional Language

In *Dunlap*, this Court held that "the patentee or his assignee, **if he makes or sells the article patented**, cannot recover damages against infringers of the patent, unless he has given notice of his right" through marking or actual notice. 152 U.S. at 247-48 (emphasis added). The Court's use of the conditional "**if**" is dispositive. The marking requirement applies only when the patent owner "makes or sells the article patented." *Id.* Where the patent owner does not make or sell patented articles, the predicate for the marking requirement is absent, and the statute does not apply.

Dunlap's conditional formulation is consistent with the statutory text. Section 287(a) authorizes marking by "patentees, **and persons making, offering for sale, or selling** within the United States any patented article **for or under them.**" 35 U.S.C. § 287(a) (emphasis added). The statute's damages limitation applies only upon "failure so to mark"—that is, only when marking was possible because articles were being made or sold "for or under" the patent owner.

2. The Federal Circuit Ignored Dunlap's Conditional Language

The Federal Circuit cited *Dunlap*, but only for the proposition that "the patentee is responsible for marking or providing notice" and "bears the burden of both pleading and proving" compliance. The court completely omitted *Dunlap*'s critical "**if he makes or**

sells the article patented" language. 152 U.S. at 247-48 (emphasis added). That omission is fatal to the Federal Circuit's analysis. By treating the marking requirement as universal and unconditional, the court effectively deleted the word "if" from *Dunlap*'s holding and ignored the statutory limitation to articles made or sold "for or under" the patent owner. The Federal Circuit's truncated reading of *Dunlap* cannot stand. This Court does not use conditional language carelessly. When this Court says a requirement applies "if" certain conditions are met, lower courts cannot transform that conditional requirement into an absolute one.

3. Dunlap and Wine Railway Form a Coherent Framework

Read together, *Dunlap* and *Wine Railway* establish a clear and coherent framework for applying § 287(a):

- **Step One:** Determine whether the patent owner or anyone "for or under" the patent owner is making or selling patented articles. *Dunlap*, 152 U.S. at 247-48; *Wine Railway*, 297 U.S. at 393.
- **Step Two:** If yes, the patent owner must mark those articles or provide actual notice to accused infringers; failure to do so limits damages to post-notice infringement. 35 U.S.C. § 287(a).

- **Step Three:** If no, the marking statute does not apply, there is no "opportunity to perform" any marking duty, and the patent owner may recover full damages without marking or actual notice. *Wine Railway*, 297 U.S. at 393-95.

This framework gives effect to § 287(a)'s limitation to articles made or sold "for or under" the patent owner, respects *Dunlap*'s conditional "if" language, and implements *Wine Railway*'s holding that non-producing patent owners have no marking obligation. The Federal Circuit's contrary approach—requiring all patent owners to plead marking compliance at the outset of every case, regardless of whether they or anyone "for or under" them practices the patent—collapses this three-step framework into a single universal requirement untethered from the statutory text or this Court's precedents.

C. The Federal Circuit's Universal Marking Requirement Contradicts *Wine Railway* and *Dunlap*

The practical effect of the Federal Circuit's decision is to impose a universal pleading requirement that applies to every patent owner in every case, regardless of whether the statutory prerequisites for § 287(a) are satisfied. That result cannot be reconciled with *Wine Railway* and *Dunlap*.

1. The Decision Creates an Atextual Pleading Rule

Section 287(a) imposes no pleading requirement. The statute addresses only the substantive question of when damages are limited—" [i]n the event of failure so to mark." 35 U.S.C. § 287(a). Nothing in the statutory text suggests that patent owners must affirmatively plead compliance with marking requirements, much less that they must do so even when the statute does not apply to them.

But *Arctic Cat's* burden-shifting framework presupposes that § 287(a) applies in the first place. *Arctic Cat* held that "once an accused infringer identifies 'specific unmarked products' that were sold and that the alleged infringer believes practice the patent," the burden shifts to the patent owner to show those products do not practice or fall within an exception. 876 F.3d at 1366-68. That framework makes sense when there are actually licensed products in commerce that might need to be marked. It makes no sense when—as here—the patent owner does not practice the patent and has no practicing licensees. The Federal Circuit's extension of *Arctic Cat* to non-practicing entities without practicing licensees effectively creates a new, judicially-imposed pleading rule that has no basis in the statutory text and directly conflicts with *Wine Railway's* holding that such entities have no marking obligation at all.

2. The Decision Imposes Impossible Burdens on Non-Practicing Entities

Wine Railway emphasized that "penalty for failure implies opportunity to perform" and that it would be unreasonable to impose a marking penalty when "no article is made or vended." 297 U.S. at 394-95. The Federal Circuit's decision ignores that fundamental principle. Under the decision below, non-practicing patent owners must either:

(a) Plead that they have no marking obligation because they do not practice the patent and have no practicing licensees—but risk having that position deemed "substantively weak" and "exceptional" if a court disagrees; or

(b) Plead compliance with marking requirements that do not apply to them—thereby conceding a legal obligation they do not have and potentially waiving their *Wine Railway* defense.

This Catch-22 places non-practicing patent owners in an impossible position. If they assert their *Wine Railway* rights, they face fee awards for advancing a "weak" position. If they concede marking obligations to avoid fees, they surrender their substantive rights under *Wine Railway*.

3. The Decision Undermines Wine Railway's Core Rationale

Wine Railway's holding rested on the principle that the 1870 revision to the marking statute "was not

[intended] to impose a new and different burden upon non-producing patentees" or to "deprive" them of their common-law right to full damages. 297 U.S. at 395-98. The Federal Circuit's decision does exactly what *Wine Railway* forbids: it imposes a "new and different burden" on non-producing patent owners by requiring them to plead compliance with a statute that does not apply to them, on pain of case dismissal and fee awards.

Section 287(a) applies only when its textual prerequisites are satisfied—when patented articles are made or sold "for or under" the patent owner. The Federal Circuit's contrary rule—that all patent owners must plead marking compliance or lose their right to any damages—effectively reads the "for or under" limitation out of the statute and strips non-producing patent owners of their *Wine Railway* rights.

4. Only This Court Can Resolve the Conflict

The Federal Circuit has exclusive appellate jurisdiction over patent cases. 28 U.S.C. § 1295(a)(1). As a result, there are no circuit splits on patent law issues, and this Court is the only court that can correct the Federal Circuit's misinterpretation of Supreme Court precedent. The Federal Circuit's failure to cite or discuss *Wine Railway*—and its selective quotation of *Dunlap* that omits the conditional "if" language—demonstrates that the court either overlooked or chose to disregard this Court's binding precedents.

Either way, this Court's intervention is necessary to restore the proper interpretation of § 287(a).

II. THE DECISION BELOW CREATES AN IMPERMISSIBLE NEW PLEADING RULE THAT PUNISHES REASONABLE LEGAL POSITIONS AS "EXCEPTIONAL" IN VIOLATION OF OCTANE FITNESS

Even if the Federal Circuit's interpretation of § 287(a) were correct (and it is not), the decision below would still warrant certiorari because it misapplies *Octane Fitness* by treating a reasonable, precedent-based legal position as "exceptional" litigation conduct warranting mandatory fee awards.

A. The Decision Imposes a Universal Pleading Obligation Untethered from Statutory Text

The Federal Circuit held that Petitioner's litigation position was "substantively weak" because Petitioner "knew, or should have known, that its complaint stated no viable damages theory" given § 287(a), yet failed to plead marking compliance. That holding rests on two flawed premises.

First, it assumes that every patent owner in every case must affirmatively plead compliance with § 287(a), regardless of whether the statute applies. As explained above, that assumption contradicts the statutory text (which limits § 287(a) to articles made or sold "for or under" the patent owner) and this

Court's precedents (which hold that non-producing patent owners have no marking obligation).

Second, it assumes that the reach of § 287(a) to non-practicing entities is so clear and settled that any contrary position is objectively "weak" or unreasonable. That assumption is demonstrably false.

The question whether § 287(a) applies to non-practicing entities without practicing licensees is an unresolved issue of statutory interpretation that must be analyzed in light of:

- The statutory text, which limits the marking requirement to "persons making, offering for sale, or selling within the United States any patented article **for or under**" the patent owner, 35 U.S.C. § 287(a) (emphasis added);
- *Dunlap's* holding that the marking requirement applies only "**if** [the patentee] makes or sells the article patented," 152 U.S. at 247-48 (emphasis added); and
- *Wine Railway's* holding that "penalty for failure implies opportunity to perform" and that non-producing patent owners who "never manufactured or vended an article under the infringed patent" are not subject to the marking statute's damages limitation, 297 U.S. at 393-95.

Petitioner's position—that these authorities exempt non-practicing entities from § 287(a)'s requirements—

is not only reasonable, it is compelled by the statutory text and this Court's binding precedents.

1. Federal Circuit Precedents Do Not Override *Wine Railway*

The Federal Circuit faulted Petitioner for ignoring *Arctic Cat* and related Federal Circuit decisions. But *Arctic Cat*, *Maxwell*, and *Rembrandt* all involved patent owners with practicing licensees and licensed products in commerce. None of those cases addressed the distinct situation of a non-practicing entity with no practicing licensees—the precise situation addressed in *Wine Railway*.

When Federal Circuit precedent conflicts with Supreme Court precedent, this Court's decisions control. Petitioner was entitled to rely on *Wine Railway* and *Dunlap*, and the Federal Circuit erred by deeming that reliance "substantively weak."

2. The Decision Conflicts with Established Pleading Standards

Under *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007), and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), a complaint must contain "enough facts to state a claim to relief that is plausible on its face." *Twombly*, 550 U.S. at 570. A claim is plausible when "the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Iqbal*, 556 U.S. at

678. Nothing in *Twombly* or *Iqbal* requires plaintiffs to plead compliance with affirmative defenses or statutory limitations that may not apply to them.

Here, Petitioner's complaint alleged patent infringement and sought damages. That was sufficient under *Twombly* and *Iqbal*. Whether § 287(a) limited those damages was a question for later resolution—either through motion practice (if Respondent could show that Petitioner or someone "for or under" Petitioner was making or selling patented articles) or at summary judgment or trial. The Federal Circuit's holding that Petitioner was required to plead marking compliance at the outset—before any discovery and before Respondent had identified any specific unmarked products—effectively creates a heightened pleading standard for patent cases that conflicts with *Twombly* and *Iqbal*.

B. Treating a Reasonable Legal Position as "Exceptional" Conflicts with Octane Fitness

The most troubling aspect of the decision below is its treatment of Petitioner's reasonable legal position as evidence that the case was "exceptional" under § 285.

1. Octane Fitness's Flexible Standard

In *Octane Fitness*, this Court rejected the Federal Circuit's rigid framework for § 285 and established a flexible "totality of the circumstances"

test. 572 U.S. at 554. The power is reserved for 'exceptional' cases." *Id.* at 553-54.

2. This Case Involves No Comparable Misconduct

The present case bears no resemblance to *Octane Fitness*. Petitioner did not assert a meritless infringement theory. Petitioner did not engage in vexatious litigation tactics comparable to those in *Octane Fitness*. Instead, Petitioner advanced a textually grounded and precedent-based legal position about the scope of § 287(a)—a position that finds direct support in this Court's decisions in *Wine Railway* and *Dunlap*.

First, *Octane Fitness* requires courts to consider "both the governing law and the facts of the case" when assessing substantive strength. 572 U.S. at 554 (emphasis added). Here, the "governing law" includes not just Federal Circuit precedents like *Arctic Cat*, but also—and more importantly—this Court's binding decisions in *Wine Railway* and *Dunlap*. A legal position grounded in Supreme Court precedent cannot reasonably be characterized as "substantively weak."

Second, *Octane Fitness* contemplates that "exceptional" cases are those that "stand[] out from others." 572 U.S. at 554. A good-faith dispute about the interpretation of § 287(a) in light of competing precedents does not "stand out" as exceptional. To the contrary, such disputes are routine in patent litigation

and should be resolved on the merits through normal appellate review, not punished through fee awards.

Third, treating reasonable legal positions as "exceptional" would chill advocacy and discourage parties from pressing novel or unsettled legal arguments. That outcome is particularly problematic in patent law, where the Federal Circuit has exclusive appellate jurisdiction and this Court reviews only a handful of cases each term. If patent litigants face fee awards for advancing reasonable interpretations of this Court's precedents that conflict with Federal Circuit doctrine, they will be discouraged from seeking this Court's review—even when, as here, the Federal Circuit has misapplied binding Supreme Court authority.

3. The Decision Punishes Petitioner for Legal Positions, Not Litigation Conduct

Octane Fitness identifies two categories of exceptional cases: those involving weak substantive positions and those involving unreasonable litigation conduct. 572 U.S. at 554. The decision below conflates these categories by treating Petitioner's legal position on marking as evidence of unreasonable conduct. The district court faulted Petitioner for failing to plead marking compliance "despite being apprised of the need to plead compliance with 35 U.S.C. § 287(a)" in Respondent's first motion to dismiss. App-19. The Federal Circuit similarly emphasized that Petitioner "was informed of that deficiency in its complaint when Vizio filed its first motion to dismiss, yet Ortiz failed

to take any steps in its first amended complaint to correct the problem." But Petitioner's decision not to plead marking compliance was not "unreasonable conduct"—it was a deliberate legal strategy that case law exempted it from marking obligations. Petitioner was entitled to maintain that position and to seek judicial resolution of the legal question. By treating Petitioner's adherence to its legal position as evidence of both substantive weakness and unreasonable conduct, the courts below effectively penalized Petitioner twice for the same thing: disagreeing with the Federal Circuit's interpretation of § 287(a). That double-counting is incompatible with *Octane Fitness's* totality-of-the-circumstances framework.

4. The Decision Improperly Resolves Unsettled Legal Questions Through Fee Awards

Perhaps most troubling, the decision below uses § 285 fee awards as a mechanism to resolve unsettled legal questions without meaningful appellate review. The question whether § 287(a) applies to non-practicing entities without practicing licensees has never been squarely addressed by this Court since *Wine Railway* was decided in 1936. When a legal question is genuinely unsettled, parties should be free to advance competing interpretations without fear of fee awards. The adversarial process—not the threat of sanctions—is the proper mechanism for resolving such disputes.

C. The Decision Creates Intolerable Uncertainty for Patent Owners

The decision below leaves patent owners—particularly non-practicing entities—in an impossible position. They must choose between:

- (1) **Pleading marking compliance** even when they believe § 287(a) does not apply, thereby potentially waiving their *Wine Railway* defense and conceding legal obligations they do not have; or
- (2) **Asserting their *Wine Railway* rights** and maintaining that they have no marking obligation, thereby risking dismissal and fee awards for pressing a "weak" position.

The Federal Circuit faulted Petitioner for not addressing marking in its first amended complaint. But Petitioner's position throughout was that there was no "marking problem" to correct because it is exempt as provided in *Wine Railway*. The court's reasoning thus penalizes Petitioner for maintaining a consistent legal position grounded in this Court's precedent.

This uncertainty will have particularly severe consequences for individual inventors, universities, research institutions, and small businesses that do not manufacture products but rely on patent rights to protect and monetize their innovations. Such entities are already disadvantaged in patent litigation by their lack of manufacturing operations and commercial

relationships. The decision below compounds that disadvantage by imposing pleading obligations that assume manufacturing and commercial activity, and by threatening fee awards when such entities assert their *Wine Railway* rights.

III. THIS COURT'S PRECEDENTS ESTABLISH A PER SE RULE: SETTLEMENT CONDUCT IS IMMUNE ABSENT SHAM LITIGATION

This Court has already articulated the governing constitutional boundary. Under *Professional Real Estate Investors, Inc. v. Columbia Pictures Industries, Inc.*, 508 U.S. 49, 60–61 (1993), litigation conduct is immune from sanction unless the suit is a sham—requiring both objective baselessness and subjective bad faith. That immunity extends beyond filing suit to all conduct “reasonably and normally attendant upon effective litigation,” including settlement communications. *Globetrotter Software, Inc. v. Elan Computer Group, Inc.*, 362 F.3d 1367, 1375–77 (Fed. Cir. 2004). The resulting rule is categorical:

A. Absent a finding of sham litigation, settlement offers may not be used for any adverse purpose.

There is no balancing test. There is no “totality” exception. Settlement conduct is either protected (non-sham) or sanctionable (sham). Nothing in this Court’s precedents permits courts to treat protected

bargaining as evidence of wrongdoing. The decision below disregards that rule.

B. The decision below creates an impermissible third category foreclosed by *Noerr-Pennington*

The rule applied below depends on a category that this Court has never recognized: **non-sham litigation accompanied by sanctionable settlement behavior**. But *Noerr-Pennington* and *PRE* foreclose that possibility. See *Prof'l Real Estate*, 508 U.S. at 56–58. As the accompanying analysis explains, once sham doctrine is applied, “there are only two possibilities: sham or non-sham,” and settlement demands “have no independent legal significance” in the latter category. By allowing courts to rely on “nuisance value” settlement offers without a sham finding, the decision below manufactures the very middle ground that this Court’s cases reject.

C. Section 285 and *Octane Fitness* do not authorize courts to penalize protected settlement conduct

Lower courts have recognized that exceptionality turns on the substantive strength of the case and the manner of litigation—not the amount of a settlement demand. See:

- *SFA Sys., LLC v. Newegg Inc.*, 793 F.3d 1344, 1348–49 (Fed. Cir. 2015);

- *Thermolife Int’l LLC v. GNC Corp.*, 922 F.3d 1347, 1357–58 (Fed. Cir. 2019);
- *AdjustaCam, LLC v. Newegg, Inc.*, 861 F.3d 1353, 1359–60 (Fed. Cir. 2017).

None of these decisions permit courts to treat settlement offers themselves as misconduct—let alone absent a finding of sham litigation. The decision below effectively converts § 285 into a vehicle for penalizing protected petitioning activity. That is incompatible with *PRE* and *Octane* alike.

D. The Federal Circuit’s own “nuisance value” precedents confirm—rather than undermine—the per se rule

The decisions most often cited for “nuisance value” language—*Eon-Net LP v. Flagstar Bancorp*, 653 F.3d 1314 (Fed. Cir. 2011); *Lumen View Tech. LLC v. Findthebest.com, Inc.*, 811 F.3d 479 (Fed. Cir. 2016); and *Blackbird Tech LLC v. Health in Motion LLC*, 944 F.3d 910 (Fed. Cir. 2019)—do not recognize any free-standing doctrine allowing courts to punish low settlement offers. In each case:

- the claims were objectively weak or baseless,
- the litigation conduct was unreasonable, and
- the settlement demands merely corroborated bad faith.

Those decisions fit comfortably within the *PRE* sham framework.

The decision below does not. It detaches the “nuisance value” label from any finding of objective baselessness or subjective bad faith and treats it as independent evidence of exceptionality. That move is not an application of precedent. It is a departure from it.

E. The rule below conflicts with this Court’s recognition that small claims and small settlements are lawful

This Court has long rejected the notion that the size of a claim determines its legitimacy. *Blake v. Robertson*, 94 U.S. 728 (1877). A patent plaintiff may pursue a valid claim yielding nominal damages. It follows that a plaintiff may also rationally settle such a claim for a modest amount. Treating low settlement offers as evidence of misconduct imposes a de facto economic threshold on access to the courts—contrary to *Blake* and to the structure of patent law.

F. A categorical rule is necessary and administrable

Allowing courts to weigh settlement offers invites precisely the harms this Court’s precedents are designed to prevent:

- **Chilling settlement** – parties will avoid early or discounted offers;
- **Doctrinal drift** – courts substitute labels (“nuisance value”) for legal standards;

- **Evasion of PRE** – courts penalize protected conduct without making the required sham finding.

A bright-line rule is both compelled and practical: No finding of objective and subjective baselessness, no use of settlement conduct—period.

IV. THE QUESTIONS PRESENTED ARE IMPORTANT, RECURRING, AND WARRANT THIS COURT'S REVIEW

Beyond the conflicts with this Court's precedents, the questions presented warrant certiorari because they are important, affect a significant category of patent owners, and will recur in numerous cases unless this Court intervenes.

A. The Decision Affects Every Non-Practicing Patent Owner

The decision below affects every non-practicing patent owner in the country—a category that includes individual inventors, universities, research institutions, technology transfer offices, and countless small businesses that develop innovative technologies but lack the resources or business model to manufacture products themselves.

1. The Scope of the Affected Class

Non-practicing entities play a vital role in the patent system and the innovation economy. Universities and research institutions generate

groundbreaking technologies that are later commercialized by others. Individual inventors develop new solutions to technical problems but lack manufacturing capabilities. Small startups develop innovative software and business methods but rely on licensing rather than manufacturing. All of these entities rely on patent rights to protect and monetize their innovations. Under *Wine Railway*, such entities have historically been able to enforce their patents and recover full damages without marking obligations. 297 U.S. at 393-95. The decision below strips them of that right and subjects them to dismissal and fee awards if they assert their *Wine Railway* defenses.

2. The Practical Impact

The practical impact of the decision below cannot be overstated. Non-practicing patent owners will now face:

Uncertain pleading obligations: Must they affirmatively plead non-practicing status? Must they anticipate and rebut potential "implied license" theories? Must they explain why *Wine Railway* applies? The decision provides no guidance.

Risk of dismissal: If they fail to plead marking compliance (or explain why marking does not apply) in sufficient detail, their complaints may be dismissed with prejudice—even before any discovery or substantive adjudication.

Risk of fee awards: If they assert their *Wine Railway* rights and a court disagrees, they face mandatory fee awards for pressing a "weak" position—even though that position rests on binding Supreme Court precedent.

Impossible compliance burdens: If courts reject their *Wine Railway* defenses, they must somehow undertake "reasonable efforts" to mark products they do not make, sell, or control—an impossible task that *Wine Railway* held cannot be required. 297 U.S. at 394-95.

These burdens will deter non-practicing entities from enforcing their patent rights, thereby undermining the constitutional purpose of the patent system: "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. Art. I, § 8, cl. 8.

3. The Impact on Innovation and Technology Transfer

The decision below will have particularly severe consequences for university technology transfer and collaborative innovation models. Universities typically do not manufacture products. Instead, they license their patents to commercial entities for development and commercialization. Under *Wine Railway*, universities could enforce their patents against unlicensed infringers and recover full

damages. 297 U.S. at 393-95. Under the decision below, universities must now:

- Monitor all products made by their licensees to ensure marking compliance, even though university licenses often involve hundreds of licensees across diverse industries;
- Undertake "reasonable efforts" to compel marking by licensees whose licensing agreements may not include marking obligations or may have expired;
- Plead marking compliance (or explain why marking does not apply) in every complaint, even though the university has no manufacturing operations and may not know whether licensees are marking their products; and
- Risk dismissal and fee awards if they assert their *Wine Railway* rights and courts deem that position "weak."

These burdens will discourage universities from enforcing their patents, thereby reducing the value of university patents and undermining technology transfer programs that are critical to translating academic research into commercial products. Similar problems will affect research institutions, government laboratories, and collaborative research ventures that develop technologies for licensing rather than manufacturing. The decision below effectively

penalizes these innovation models by imposing marking obligations designed for manufacturing patent owners.

B. The Decision Chills Reasonable Advocacy and Settlement

Beyond its direct impact on non-practicing entities, the decision below will chill reasonable advocacy and distort settlement negotiations in patent cases.

1. Chilling Effect on Advocacy

The decision below sends a clear message to patent litigants: If you advance a legal position grounded in Supreme Court precedent that conflicts with Federal Circuit doctrine, you risk fee awards for pressing a "weak" position. This chilling effect is particularly problematic in patent law, where the Federal Circuit's exclusive appellate jurisdiction means that only this Court can correct errors in interpreting patent statutes and Supreme Court precedents. If parties face fee awards for pressing Supreme Court authority, the Federal Circuit's interpretations will become effectively unreviewable—even when, as here, they conflict with this Court's binding precedents.

2. Impact on Settlement Negotiations

The decision below will also distort settlement negotiations by creating uncertainty about the consequences of settling cases. Under the district

court's "implied license" theory, any dismissal with prejudice may be treated as the "equivalent of a license" that triggers marking obligations. That theory means:

- Patent owners who settle cases with prejudice may inadvertently create "licensees" whose products they must monitor and mark;
- Patent owners who settle multiple cases may accumulate multiple "implied licenses" that create cascading marking obligations;
- Patent owners who later sue other parties may face dismissal and fee awards if courts conclude that prior settlements created marking obligations that were not satisfied.

These consequences will discourage patent owners from settling cases with prejudice. Instead, they may insist on settlements without prejudice (which provide no repose to defendants) or explicit non-assertion covenants (which may have different tax and accounting consequences). Alternatively, patent owners may refuse to settle at all, insisting on litigating to judgment to avoid creating "implied licenses." The result will be more litigation, fewer settlements, and greater uncertainty for all parties—outcomes that serve no one's interests and conflict with the strong public policy favoring settlement of disputes.

C. Only This Court Can Resolve the Conflict Between *Wine Railway* and the Federal Circuit's Interpretation

The Federal Circuit has exclusive appellate jurisdiction over patent appeals. 28 U.S.C. § 1295(a)(1). As a result, there can be no circuit split on the questions presented, and this Court is the only forum that can resolve the conflict between *Wine Railway* and the Federal Circuit's interpretation of § 287(a).

1. The Federal Circuit Will Not Correct Its Own Error

The Federal Circuit's decision in this case is nonprecedential, but it reflects a broader pattern in the court's marking jurisprudence: a failure to grapple with *Wine Railway*'s holding that non-producing patent owners have no marking obligation. The Federal Circuit's precedential decisions in *Maxwell*, *Rembrandt*, and *Arctic Cat* all involved practicing licensees and licensed products in commerce. None of those decisions cited or discussed *Wine Railway*. None addressed the distinct question whether non-practicing entities without practicing licensees have marking obligations. By extending those decisions to non-practicing entities without practicing licensees—and by treating *Arctic Cat*'s burden-shifting framework as a universal pleading requirement—the Federal Circuit has effectively overruled *Wine Railway* sub silentio. The court's failure to cite *Wine Railway* in the decision

below suggests that the court either overlooked this Court's binding precedent or deliberately chose not to address it. Either way, the Federal Circuit is unlikely to correct its error *sua sponte*. The court's exclusive jurisdiction over patent appeals means that the same judges who decided *Maxwell*, *Rembrandt*, and *Arctic Cat* will continue to apply those decisions without reconsidering their relationship to *Wine Railway*. Only this Court can restore the proper interpretation of § 287(a).

2. The Issue Is Fully Developed and Teed Up for Review

The questions presented are fully developed and squarely presented in this case. The district court and Federal Circuit both addressed the marking issue extensively. The parties have briefed the relationship between *Wine Railway*, *Dunlap*, and the Federal Circuit's modern marking cases. The record clearly establishes that Petitioner is a non-practicing entity with no ongoing practicing licensees.

This case thus provides an ideal vehicle for this Court to clarify:

- Whether *Wine Railway* remains good law and continues to exempt non-producing patent owners from marking obligations;
- How *Wine Railway* and *Dunlap* interact with the Federal Circuit's modern marking decisions;

- Whether § 287(a)'s limitation to articles made or sold "for or under" the patent owner means that non-practicing entities without practicing licensees have no marking obligations; and
- Whether advancing a textually grounded and precedent-based legal position on these questions can support an "exceptional case" finding under *Octane Fitness*.

3. The Questions Warrant This Court's Review Under Rule 10

The questions presented warrant certiorari under Supreme Court Rule 10(a) and (c).

Rule 10(a): The Federal Circuit's decision conflicts with this Court's decisions in *Wine Railway*, *Dunlap*, and *Professional Real Estate Investors*. Those conflicts are direct and acknowledged (in the sense that the Federal Circuit applied a rule directly contrary to *Wine Railway*'s, *Dunlap*'s, and *Professional Real Estate Investors*' holding, even if the court did not cite the cases). The conflicts involve important questions about the scope of a federal statute and the rights of patent owners.

Rule 10(c): The Federal Circuit has departed from the accepted and usual course of judicial proceedings by:

- Imposing a universal pleading requirement not found in § 287(a)'s text or this Court's precedents;

- Treating reasonable legal positions grounded in Supreme Court precedent as "exceptional" under § 285;
- Effectively overruling *Wine Railway* without acknowledging or addressing this Court's binding authority; and

These departures call for this Court's corrective exercise of its supervisory power.

4. The Importance of the Questions Justifies Immediate Review

The questions presented affect thousands of patent owners and will recur in countless cases. Every non-practicing patent owner—including universities, research institutions, individual inventors, and small businesses—faces the uncertainty and risks created by the decision below. Every accused infringer now has an incentive to file fee motions arguing that non-practicing patent owners have "weak" positions if they assert *Wine Railway* defenses. The longer this Court delays review, the more patent owners will be subjected to dismissals and fee awards for asserting their rights under *Wine Railway*. The longer Federal Circuit doctrine remains uncorrected, the more entrenched the conflict with this Court's precedents will become. Moreover, the decision below affects not just patent law, but also broader principles of statutory interpretation, pleading standards, and the proper application of fee-shifting statutes. The decision's holding that parties face fee awards for

advancing reasonable interpretations of Supreme Court precedent has implications far beyond patent law and threatens to chill advocacy across the federal courts. For all these reasons, the Court should grant certiorari now rather than waiting for additional percolation in the lower courts—percolation that cannot occur given the Federal Circuit's exclusive jurisdiction.

V. CONCLUSION

The decision below cannot be reconciled with this Court's precedents. It directly conflicts with *Wine Railway's* holding that non-producing patent owners have no marking obligation, ignores *Dunlap's* conditional language limiting the marking requirement to patent owners who "make[] or sell[] the article patented," and misapplies *Octane Fitness* by treating reasonable legal positions grounded in Supreme Court precedent as "exceptional." Moreover, the Federal Circuit's relaxed standard in allowing the consideration of settlement offers absent a finding of sham litigation conflicts with this Court's holding in *Professional Real Estate Investors, Inc. v. Columbia Pictures Industries, Inc.*, 508 U.S. 49 (1993). When a lower court misinterprets or ignores this Court's precedents, this Court's review is not merely appropriate—it is essential to maintaining the supremacy of this Court's authority and ensuring uniformity in federal law. The petition for a writ of certiorari should be granted.

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