

No. 25-

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IN THE  
**Supreme Court of the United States**

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CLIFFORD A. LOWE AND SPOTA LLC,  
FKA INSITE SOLUTIONS, LLC,

*Petitioners,*

*v.*

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

*Respondents.*

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED  
STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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**PETITION FOR A WRIT OF CERTIORARI**

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## QUESTIONS PRESENTED

The questions presented are:

- (1) When a district court is presented with a motion for relief from judgment under Federal Rule of Civil Procedure 60(b), does it abuse its discretion by refusing to correct a sanctions award expressly based on facts and law the appellate court exposed to have been in error?
- (2) Does a district court's sanctions award violate the holding of this Court in *Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S. 101 (2017) as being punitive when it is not causally connected but only temporally linked to the misconduct as expressly identified by the district court?
- (3) Is the holding of this Court in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83, 94 (1998), that a court has no authority to proceed after determining it lacks subject matter jurisdiction, weakened when an appellate court, after first finding the facts and law on which a sanctions award is expressly based (i.e., continuing litigation after relinquishing standing) to be in error, declines to hear whether the district court abuses its discretion in refusing to reconsider that sanctions award when confronted with those errors through a motion for relief from judgment under Rule 60(b) of the Federal Rules of Civil Procedure?

**PARTIES TO THE PROCEEDING**

Petitioners Clifford A Lowe (“Lowe”) and Spota LLC (fka InSite Solutions, LLC) (“Spota”) (collectively “Petitioners”) were plaintiffs in the District Court below and appellants before the Federal Circuit.

Respondents ShieldMark, Inc. (“ShieldMark”), Advanced Plastics, Inc. and Crown Equipment Corporation (“collectively “Respondents”) were defendants in the District Court below and appellees before the Federal Circuit.

**RULE 29.6 CORPORATE  
DISCLOSURE STATEMENT**

Pursuant to Rule 29.6, Petitioner states as follows:

Petitioner Spota, LLC (fka InSite Solutions, LLC) is a limited liability company, that has no parent company, nor does any publicly held company have any ownership interest therein.

## **RELATED PROCEEDINGS**

United States District Court for the Northern District of Ohio, Case No. 1:19-00748-JSG, Clifford A. Lowe et al., Plaintiffs v. Shieldmark, et al., Defendants, Opinion and Order (239) dated May 27, 2025.

United States Court of Appeals for the Federal Circuit, Case No. 2025-1913, Clifford A. Lowe, Spota LLC, fka Insite Solutions, LLC, Plaintiffs-Appellants v. Shieldmark, Inc., Advanced Plastics, Inc., Crown Equipment Corporation, Defendants-Appellees, Order (12) dated September 5, 2025.

The Supreme Court of the United States, Petition for a Writ of Certiorari, Clifford A. Lowe and Spota LLC, fka Insite Solutions, LLC, Petitioners v. Shieldmark, Inc., Advanced Plastics, Inc. and Crown Equipment Corporation, Respondents, Case No. 25-169, denied October 6, 2025.

United States Court of Appeals for the Federal Circuit, Case Nos. 2023-1786, 2023-1871 and 2023-1893 (Consolidated), Clifford A. Lowe, Spota LLC, fka Insite Solutions, LLC, Plaintiffs-Appellants v. Shieldmark, Inc., Crown Equipment Corporation, Advanced Plastics, Inc., Defendants-Cross-Appellants, On Petition for Panel Rehearing and Rehearing En Banc, Order dated May 12, 2025.

United States Court of Appeals for the Federal Circuit, Case Nos. 2023-1786, 2023-1871 and 2023-1893 (Consolidated), Clifford A. Lowe, Spota LLC, fka Insite Solutions, LLC, Plaintiffs-Appellants v. Shieldmark, Inc.,

*v*

Crown Equipment Corporation, Advanced Plastics, Inc.,  
Defendants-Cross-Appellants, Opinion (5) and Judgment  
(6) dated March 24, 2025.

United States Court of Appeals for the Federal Circuit,  
Case No. 21-2164, Clifford A. Lowe, Spota LLC fka Insite  
Solutions, LLC, Plaintiffs-Appellants v. Shieldmark, Inc.,  
Crown Equipment Corporation, Advanced Plastics, Inc.,  
Defendants– Appellants, Opinion (32) and Judgment (33)  
dated March 4, 2022.

United States Court of Appeals for the Federal  
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LLC fka Insite Solutions, LLC, Plaintiffs-Appellants  
v. Shieldmark, Inc., Crown Equipment Corporation,  
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## **PETITION FOR A WRIT OF CERTIORARI**

Petitioners respectfully petition for a writ of certiorari to review the Order of the United States Court of Appeals for the Federal Circuit which dismissed Petitioners' appeal taken from the Opinion & Order of the District Court of the Northern District of Ohio denying Petitioners' Cross Motion for Relief From Judgment Under Rule 60(b). The Opinion & Order of the District Court from which Petitioners sought relief granted attorney fees to Respondents in the amount of \$213,765.00 from December 2021 forward expressly based on facts and law the Federal Circuit Court of Appeals found to be in error—that both Petitioners delayed/extended the litigation by hiding each had relinquished standing through respective business transactions in December 2021.

## **OPINIONS BELOW**

Order dated September 5, 2025, of the United States Court of Appeals for the Federal Circuit dismissing Petitioners' appeal of the Opinion & Order of the District Court for the Northern District of Ohio denying Petitioners' Cross Motion for Relief from Judgment Under Federal Rule of Civil Procedure 60(b). This Order of the Federal Circuit is reproduced as Appx A, Pages 1a–7a.

Opinion & Order of the District Court for the Northern District of Ohio dated May 27, 2025, denying Petitioners' Cross Motion for Relief from Judgment Under Federal Rule of Civil Procedure 60(b). This Opinion & Order of the District Court is reproduced as Appx. B, Pages 8a–14a.

Order dated May 12, 2025, of the United States Court of Appeals for the Federal Circuit Denying Combined

Petition for Panel Rehearing and Rehearing en banc. This Order is reproduced as Appx. C, Pages 15a–16a.

Opinion of the United States Court of Appeals for the Federal Circuit dated March 24, 2025, finding one of the two Petitioners (Spota) to have had Article III standing as the patentee entitled to sue for infringement; affirming the District Court’s alternative decision finding the patent-in-issue to be invalid as anticipated by prior art; finding that the other Petitioner (Lowe) had lost standing to pursue his patent infringement claim; affirming the sanctions award of the District Court against both Petitioners, accepting the District Court’s finding Petitioners [plural] had delayed the litigation with respect to Lowe’s patent infringement claim [notwithstanding the complaint as amended alleged but a single patent infringement claim common to both Petitioners]. This Judgment of the Federal Circuit is reproduced as Appx. D, Pages 17a–44a.

Opinion & Order of the District Court for the Northern District of Ohio dated April 21, 2023, awarding Respondents damages in the amount of \$213,765 for Petitioners having continued to litigate Petitioners’ patent infringement claim after relinquishing Article III standing. This Opinion & Order of the District Court is reproduced as Appx. E, Pages 45a–65a.

Opinion & Order of the District Court for the Northern District of Ohio dated August 23, 2022, dismissing the action for lack of subject matter jurisdiction with prejudice. In the alternative granting Defendants’ patent invalidity summary judgment motion. This Opinion & Order is reproduced as Appx. F, Pages 66a–93a.



## **JURISDICTION**

On May 22, 2025, Petitioners filed a Cross Motion Under Federal Rule 60(b) for Relief from Judgment from the sanctions award issued by the District Court for the Northern District of Ohio.

On May 28, 2025, the District Court for the Northern District of Ohio granted Respondents' Motion to Collect on Supersedeas Bond and denied Petitioners' Cross Motion for Relief from Judgment from the sanctions award issued by said District Court.

On June 25, 2025, Petitioners filed a Notice of Appeal with the Federal Circuit Court of Appeals.

On July 30, 2025, Respondents filed a motion to dismiss the Appeal No. 25-1913 before the Federal Circuit Court of Appeals.

On September 5, 2025, the United States Court of Appeals for the Federal Circuit issued an Order granting Respondents' Motion to Dismiss.

This petition is therefore timely, and the Court has jurisdiction under 28 U.S.C. §1254(1).

## **CONSTITUTIONAL AND STATUTORY PROVISIONS**

While a district court's inherent latitude to act as to matters necessary to the ultimate disposition of a case following an appeal is constrained by the appellate court's mandate, it is free to pass upon any issue which was not

expressly or impliedly disposed of on appeal. *Sprague v. Ticonic Nat. Bank*, 307 U.S. 161, 167-168, 59 S.Ct. 777, 83 L.Ed. 1184 (1939); *Standard Oil Co. of California v. U.S.*, 429 U.S. 17, 18-19, 97 S.Ct. 31, 50 L.Ed. 21 (1976).

Rule 60(b) of the Federal Rules of Civil Procedure permits district courts to reopen cases after the entry of a final judgment under a limited set of circumstances to strike a proper balance between the conflicting principles that litigation must be ended and that justice should be done. *BLOM Bank SAL v. Honickman*, 605 U.S. 204, 145 S.Ct. 1612, 1623 (2025).

As recognized by this Court, the standard of review of a district court's denial of a motion for relief from judgment is an abuse of discretion. *United States v. Universal Mgmt Servs., Inc., Corp.*, 191 F.3d 750, 757 (6th Cir.1999), *cert. denied*, 530 U.S. 1274, 120 S.Ct. 2740, 147 L.Ed.2d 1005 (2000).

Rule 60(b)(1) expressly provides that a court may relieve a party from a final judgment based on mistake. *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd P'ship*, 507 U.S. 380, 394, 113 S.Ct. 1489, 123 L.Ed. 2d 74 (1993).

Under Rule 60(b)(1), a district court necessarily abuses its discretion if it bases a ruling on an erroneous view of the law or on a clearly erroneous assessment of the evidence. *McLane Co. Inc. v. E. E.O.C.*, 581 U.S. 72, 137 S.Ct. 1159, FN 3, 197 L.Ed. 500 (2017) *citing* *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 403, 405, 110 S.Ct. 2447, 110 L.Ed. 2d 259 (1990); See also, *Highmark, Inc. v. Allcare Health Mgmt Sys., Inc.*, 134 S.Ct. 1744, 572 U.S. 599, FN 2, 188 L.Ed. 2d 829 (2014) *citing* *Cooter & Gell v.*

*Hartmarx Corp.*, 496 U.S. 384, 403, 405 , 110 S.Ct. 2447, 110 L.Ed. 359 (1990).

A sanctions award given by a district court pursuant to its inherent powers must not be punitive but must be remedial and must relate to the conduct of the party.

This Court has made clear that such a sanction [an award of legal fees and costs incurred by the other side] when imposed pursuant to civil procedures, must be compensatory rather than punitive in nature...In other words, the fee award may go no further than to redress the wronged party ‘for losses sustained’; it may not impose an additional amount as punishment for the sanctioned party’s misbehavior.

*Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S. 101, 107-108 (2017).

## STATEMENT OF THE CASE

### I. LEGAL BACKGROUND

Three legal issues dominated the case below:

The first was whether a district court, having found it lacks subject matter jurisdiction to hear a claim, nonetheless has the authority, in the event it is wrong, to issue an “alternative judgment” on the merits. After first finding it lacked subject matter jurisdiction to hear Petitioners’ patent claim and dismissing it with prejudice, the district court gave an “alternative judgment” invalidating Petitioner Spota’s patent. Appx. F, Pages

66a-93a. On appeal to the Federal Circuit, Petitioners argued in view of this Court's holding in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83, 94, 118 S.Ct. 1003, 140 L.Ed.2d 210 (1998), that, finding itself to be without subject matter jurisdiction, a district court cannot proceed to issue a judgment on the merits (i.e., herein the "alternative" judgment invalidating Petitioner Spota's patent), and that its only function remaining is to announce that fact and dismiss the cause without prejudice. Without addressing this argument and finding that the district court erred in its subject matter jurisdiction decision because Petitioner Spota never lost standing as a matter of fact and law, the Federal Circuit nonetheless determined that it could consider the district court's alternative judgment on the merits. Appx. D, Pages 17a-44a. It affirmed the district court's alternative judgment that the patent-in-issue was invalid. Appx. D, Pages 17a-43a. This issue was the subject of a prior petition to this Court, which petition was denied. Notwithstanding, these same "facts" and "legal conclusions" are essential to understanding the basis for Petitioners' motion for relief from judgement under Rule 60(b) (6) which requires the existence of "exceptional circumstances."

The second, the subject of this Petition, is whether after finding the expressly stated basis for the award of sanctions to be in error both factually and as a matter of law (i.e., both Petitioners had not relinquished standing thereby delaying the litigation) (Appx. D, Pages 17a-43a), the Federal Circuit could dismiss Petitioners' appeal of the district court's denial of Petitioners' motion for relief from judgment under Rule 60(b). Appx. A, Pages 1a-7a. The district court was made aware of the errors upon which its sanctions award was determined by the Federal Circuit's

Opinion yet, when Petitioners filed their motion for relief from the judgment of sanctions, the district court refused to review and correct the exposed errors. Appx. B, Pages 8a–14a. In granting its sanctions award, the district court expressly found both Petitioners to have relinquished standing in December 2021 through respective business transactions thereby delaying/extending the litigation of the patent infringement claim. Appx. E, Page 58a. Based thereon, it awarded attorney fees commensurate with those expended by Respondents to defend Petitioners’ patent infringement claim from December 2021 forward to the litigation’s end. Appx. E, Pages 58a & 64a. The Federal Circuit deferred to the district court’s finding of delay and affirmed without discussing the “delay” or its connection to the damages calculation, instead only discussing the non-disclosure matters adjunct to the district court’s award. Appx. D, Pages 40a-41a. It only discussed the district court’s findings that Petitioners failed to disclose the business transactions in discovery and in their Fourth Amended Complaint, which it interpreted as “hiding” the transactions and therefore “bad faith.” Appx. D, Pages 38a-41a.

The third, also the subject of this Petition, is the damages award calculation itself. Appx. E, Page 64a. It was not in accord with the remedial requirement set forth by this Court in *Goodyear*, 551 U.S. at 110. The damages award calculation was expressly based on the continued litigation of the patent claim after December 2021—which was not a delay/extension of the litigation. Its continuation was necessitated by there being but a single patent infringement claim, for which Petitioner Spota never lost standing, that therefore had to be litigated to conclusion. First finding that the facts expressly relied upon by the

district court in determining its damages award to have been in error (i.e., that both Petitioners had lost standing and yet continued to litigate their patent claim), the Federal Circuit should not have inserted temporal facts and affirmed the award.

## **II. FACTUAL BACKGROUND**

The factual background as recited in Petitioners' previous filing before this Court is as follows:

Petitioner Lowe is the inventor and original patentee of U.S. Patent No. 10,214,664 ("the '664 patent"), as well as additional patents. All his intellectual property remained in his name until December 9, 2021. Up until December 9, 2021, Petitioner Lowe licensed his patents to Petitioner Spota, a limited liability company for which he is the Managing Director. His license of the '664 patent to Spota was oral and exclusive.

During the first-filed appeal to the Federal Circuit, successfully challenging the district court's claim construction and judgment of non-infringement based thereon, Petitioner Lowe decided to sell to a non-party ("Insite DE") all but two of his patents, one being the '664 patent. Instead of selling the '664 patent, (1) Petitioner Spota would be assigned ownership of the '664 patent; (2) Petitioner Spota would grant a non-exclusive license in the '664 patent ("PLA") to InSite DE; (3) under the terms of the PLA, Petitioner Lowe, along with Petitioner Spota, "would retain the exclusive rights to elect to maintain, control, and settle" the present litigation with Respondents; (4) Petitioner Lowe, along with Petitioner Spota, would have the right to the proceeds of the

litigation, if any, whether by lump sum settlement or through the collection of royalties; and (5) Petitioner Lowe along with Petitioner Spota would also have the same rights of enforcement with respect to others found to have infringed the '664 patent prior to the date of execution of the PLA (December 16, 2021). While Insite DE would receive an option to acquire all right, title, and interest in and to the Licensed Patents, it would have no present rights of enforcement. The option would be subject to an option commencement date subsequent to the resolution of the ShieldMark litigation and any Further Litigation brought by Petitioners Lowe and Spota.

On December 9, 2021, Petitioner Lowe assigned his intellectual property assets to Petitioner Spota. The assignment of the '664 patent was filed on the public record. On December 16, 2021, Petitioner Spota gave the above-described non-exclusive license under the '664 patent to nonparty InSite DE.

### **III. PROCEDURAL BACKGROUND**

On April 21, 2023, the district court issued a sanctions award expressly based on the fact of a delay in/extension of the litigation after December 2021 due to both Petitioners having continued to prosecute their patent infringement claim notwithstanding both having relinquished standing by their respective business transactions in December 2021, thereby depriving the district court of Article III subject matter jurisdiction. In its Order & Opinion (Appx. E, Pages 45a-64a), specifically with respect to a delay in/extension of the litigation by both Petitioners after December 2021, the district court stated as follows:

[B]y December 2021 **both** Lowe and Spota had relinquished **their** exclusionary power under the patent and **their** standing to enforce the patent.

(emphasis added)

(Appx. E, Page 48a)

[T]ransfers did prove dispositive, and **Plaintiffs’ [plural]** failure to timely disclose those **transfers** prevented Defendants from moving for summary judgment sooner.

(emphasis added)

(Appx. E, Page 57a)

**The Court finds that there is a direct ‘causal connection’ between Plaintiffs’ [plural] conduct that the fees and costs that Defendants incurred in litigating Plaintiffs’ [plural] patent claim from December 2021 onwards, and it will award those expenses to Defendants.**

(emphasis added)

(Appx. E, Pages 57a–58a)

**Here, Defendants are entitled to reasonable fees and costs incurred in defending against Plaintiffs’ [plural] infringement claim from December 2021 onwards.**

(emphasis added)

(Appx. E, Page 61a)

**The Court Grants in Part Defendants’ motion as to fees and costs incurred after December 2021 for the patent litigation....**

(emphasis added)

(Appx. E, Page 64a)



The non-disclosure facts (i.e., “hiding” of the relinquishment of standing by both Petitioners) were recited by the district court to support its finding of “bad faith.” The “delay/extension of the litigation of the patent infringement case” was, as expressed by the district court, continuing to litigate the patent infringement case after December 2021—after both Petitioners lost standing by their respective transfers:

Finally, Plaintiffs argue that it should not have mattered whether they disclosed the ownership and licensing transfers because the transfers would have had no impact on this litigation.... But the transfers did prove dispositive, and Plaintiffs’ failure to timely disclose those transfers prevented Defendants from moving for summary judgment sooner.

**Thus, Plaintiffs’ actions strongly support an inference of bad faith....**

(emphasis added)

(Appx. E, Page 57a)

As to the accompanying statement by the district court, as to “those transfers prevent[ing] Defendants from moving for summary judgment sooner,” the docket shows that the motion for summary judgment for invalidity had been pending since April 19, 2021 (Appx. H, Pages 107a -112a) and was acknowledged by Respondents as being “fully briefed and ripe for decision” at the time of Respondents’ supplemental pleading requested by and filed with the district court on June 14, 2022. Appx. G, Pages 94a–95a. Indeed, it had been “ripe for decision” since May 10, 2021 with the filing of Respondents’ reply. Appx. H, Page

111a. It is not only contradicted by the docket, but by the very fact that the district court was able to issue an “alternative” judgment of patent invalidity at the same time as dismissing the patent claim with prejudice for the lack of subject matter jurisdiction.

In that same Opinion & Order (Appx. E, Pages 45a–65a), specifically with respect to its calculation of the damages award, the district court stated:

**The court finds that there is a direct ‘causal connection’ between Plaintiffs’ conduct and the fees and costs that Defendants incurred in litigating Plaintiffs patent claim from December 2021 onwards, and it will award those expenses to Defendants.**  
(emphasis added)  
(Appx. E, Pages 57a–58a)

**Here, Defendants are entitled to reasonable fees and costs incurred in defending against Plaintiffs’ patent infringement claim from December 2021 onwards.**  
(emphasis added)  
(Appx. E, Page 61a)

**Defendants are awarded \$213,765 for litigating Plaintiffs’ patent infringement claim...**  
(emphasis added)  
(Appx. E, Page 64a)

That this was the finding on which the district court based its sanctions award is also consistent with its having earlier dismissed with prejudice Petitioners’ patent infringement claim because both Petitioners lacked

standing and therefore it lacked Article III subject matter jurisdiction (Appx. F, Pages 81a and 93a).

In reviewing the district court's sanctions award the Federal Circuit did not review the district court's decision for a correlation between the Petitioners' non-disclosures and delay/extension of the litigation. Appx. D, Pages 17a–44a. The Federal Circuit accepted the district court's factual findings of non-disclosure of their respective business transactions in December 2021, misidentification of Petitioner Lowe as the patent owner and Petitioner Spota as the exclusive licensee in the Fourth Amended Complaint, and that neither was “not merely an honest mistake” and therefore in bad faith. Appx. D, 40a-41a. The Federal Circuit's deference to these factual findings is seen in the following from its Opinion:

Factual findings underlying sanctions based on the district court's inherent powers are reviewed for clear error...Applying that standard, we defer to the district court's implied finding that 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 discovery. Appx. D, Pages 40a -41a.

Without reviewing the district court's opinion for a correlation between the non-disclosure or misidentification and the sanctions award itself, the Federal Circuit deferred to the district court's finding of litigation delay. However, the Federal Circuit did expressly acknowledge that any delay would have only been with respect to Petitioner Lowe's patent infringement claim:

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.** (emphasis added)  
Appx .D, Page 41a.

Given the specificity with which the district court pronounced its sanctions award, as being based on the conduct of both Petitioners, Petitioners did not address in their briefing what was to happen with respect to the sanctions award should only one Petitioner be found to have lost standing/subject matter jurisdiction. Neither that matter nor the calculation of the award in that event was addressed by Petitioners on appeal.

Deferring to the district court's statements of non-disclosure, misidentification in the Fourth Amended Complaint, and delay, the Federal Circuit affirmed the sanctions award. Appx. D, Page 40a–41a.

On March 24, 2025, the case was remanded in part by the Federal Circuit, with the sanctions award being affirmed as to the grant of attorney fees incurred by Respondents from December 2021 to the end of the litigation. Appx. D, Pages 41a and 44a.

A Combined Petition for Panel Rehearing and Rehearing *En Banc* was filed on April 7, 2025. It was denied on May 12, 2025. Appx. C, Pages 15a–16a.

The Federal Circuit Court Mandate was docketed on May 19, 2025.

On May 20, 2025 (D.Ct.#237), Respondents filed a “Motion to Collect on Supersedeas Bond.”

On May 22, 2025, Petitioners filed a “Cross Motion for Relief from Judgment under Federal Rule of Civil Procedure 60(b)” (Appx L, 127a-130a) listing as grounds that Sections 1, 3, and/or 5 applied, and, if not any of these, then Section 6. Each of these bases for relief arise from the stated reason of the district court for its award of sanctions, namely both Petitioners having continued litigating their patent infringement claim despite both relinquishing Article III standing by respective undisclosed business transactions conducted in December of 2021.

On May 27, 2025, the district court issued an Opinion & Order (Appx. B, Pages 8a–14a) granting Respondents’ motion to collect on the posted supersedeas bond and denying Petitioners’ motion for relief from judgment:

The Court further DENIES Plaintiffs’ Rule 60(b) motion because the Federal Circuit’s decision gave only a specific and limited mandate. (Appx. B, Page 9a)

In so doing, the district court expressly admitted that it had determined its sanctions award based not on the conduct of one of Petitioners but based on the conduct of **both Petitioners**. In that Opinion & Order (Appx. B) the district court further states:

The [Federal Circuit] also found a direct causal connection between Plaintiffs’ **[plural]** conduct – including the failure to disclose business transfers and Defendants’ litigation expenses

incurred after December 2021. (Appx. B, Page 9a)

Notwithstanding this statement by the district court, the Federal Circuit had deferred to the district court's findings (Appx. D, Pages 40a–41a), and in its Opinion & Order (Appx. F, Pages 66a–93a) the district court **had not** linked the delay/extension of the litigation to that period for which it believed Petitioners “hid” their respective business transactions. The docket demonstrates that the “delay,” if any, caused by the failure to disclose the December 2021 business transfers was only a matter of weeks after it was brought to Petitioners’ attention through an opposition motion (June 29, 2022–July 14, 2022) and only after Petitioner took steps to protect the right of the non-party to the December 2021 business transactions to confidentiality—it was not the litigation period for the patent infringement claim beyond December 2021. Appx. I, Pages 113a–119a.

On August 8, 2025, Petitioners filed a first Petition for Certiorari because the Federal Circuit affirmed the alternative decision of the district court invalidating Petitioner Spota’s patent despite having first dismissed with prejudice Petitioners’ patent claim for lack of Article III subject matter jurisdiction.

On September 5, 2025, the Federal Circuit dismissed Petitioners’ appeal of the district court’s denial of their Rule 60(b) Cross Motion for Relief From Judgment, again relying on the findings of the district court as to nondisclosure and “delay” and without linking them to a period of litigation delay, which was used by the district court in the calculation of the sanctions award. (Appx. A, Pages 1a–7a)

Tellingly, the record is devoid of evidence that the continuation of the litigation of the patent infringement case beyond December 2021 was a delay/extension of the case. It was necessary prosecution of the patent case because, as the Federal Circuit found (Appx. D, Page 27a), Petitioner Spota never lost standing.

#### **IV. REASONS FOR GRANTING THE PETITION**

The decision of the Federal Circuit Court of Appeals dismissing Petitioners' appeal of the district court's denial of its Rule 60(b) motion conflicts with this Court's precedent, undermines uniformity in the application of Rule 60(b) among the circuits, and has national importance for judicial accountability and patent litigation.

##### **A. The Law Of This Court As Espoused In *McLane*, *Highmark* And *Cooter* Was Not Followed By The Lower Courts.**

The law of this Court as espoused in *McLane*, *Highmark*, and *Cooter* is that a district court necessarily abuses its discretion if its ruling is based on an erroneous view of the law or on a clearly erroneous assessment of the evidence. Here, in its original opinion affirming the district court's sanctions award (Appx. D), the Federal Circuit exposed that the district court had done both.

The district court expressly stated the basis for its sanctions award was the delay in the litigation caused by both Petitioners relinquishing standing yet continuing to litigate their patent infringement claim. Appx. E, Page 61a and 64a. The district court found that Petitioner Spota relinquished standing when it executed a non-

exclusive license agreement with a nonparty depriving it of its exclusionary rights in the patent-in-issue. Appx. Pages 47a-48a. The district court calculated its sanctions award commensurate with the attorney fees expended by Respondents from the date of relinquishment to the end of the patent litigation period. Appx. E, Pages 61a-64a. Yet, the Federal Circuit determined that the non-exclusive patent license agreement Petitioner Spota had executed with a non-party had not deprived it of its exclusionary rights in the patent-in-issue—Petitioner Spota had never relinquished standing. Appx. D, Page 27a.

The Federal Circuit expressly held that only one of the Petitioners (Lowe) lost jurisdiction and that the other (Spota) had not. Appx. D, Page 27a. There being only a single patent infringement claim alleged by both Petitioners, this finding—limiting the loss of standing as delaying the litigation with respect to only Petitioner Lowe’s patent infringement claim—means that Petitioners acted appropriately in continuing to prosecute the patent infringement claim after December 2021. It means that the decision of the district court to award sanctions based on “Plaintiffs’ [plural] conduct in delaying the litigation” was factually, as well as legally, erroneous. Why then, should not this misrepresentation merit consideration on appeal?

The Federal Circuit first failed to remand Petitioners’ patent infringement claim, instead, hearing and affirming the district court’s alternative decision. Appx. D, Pages 30a–34a. In dismissing Petitioners’ appeal of the district court’s denial of Petitioners’ motion for relief from judgment (Appx. A, Pages 1a-7a), the Federal Circuit refused to acknowledge the role the errors of the district



court exposed in its Opinion played in the district court's sanctions award. The district court expressly stated that the factual basis for its sanctions award was that both Petitioners relinquished standing yet continued to litigate their patent claim. Appx. E, Pages 58a and 61a-62a. The district court awarded Respondents their attorney fees from December 2021 onward to the end of the litigation. Appx. E, Page 58a. The Federal Circuit deferred to the district court's finding of delay/extension of the litigation—it did not look for a correlation between the adjunct factors of nondisclosure it discussed as supporting the district court's findings and delay. Appx. D, Page 40a -41a. The Federal Circuit did not look for a correlation between delay and the dollar value of the attorney fees award itself. Appx. D, Pages 17a -44a. The Federal Circuit Opinion did, however, expose the errors of the district court. Appx. 22a–27a. The district court's errors having been exposed by the Federal Circuit Opinion, Petitioners filed a motion for relief from judgment, giving the district court the opportunity to reconsider its sanctions award. By failing to reconsider it, the district court abused its discretion. Yet, again failing to acknowledge the role the district court's errors in law and fact played in its sanctions award, the Federal Circuit dismissed Petitioners' appeal brought in response to the district court's refusal to grant them relief from the sanctions award under Rule 60(b). Appx. A, Pages 1a–7a.

The law of this Court in *McLane*, *Highmark*, and *Cooter* was not followed—the errors in law and fact as found by the Federal Circuit did not result in the required finding of abuse of discretion and modification of the sanctions award. The decision to dismiss the appeal undermines uniformity in the application of Rule 60(b)(1).

It sends a bad message to patent holders. It discourages them from enforcing their rights. It demonstrates that procedural missteps—even when unrelated to the merits—can result in severe sanctions. This threatens the integrity of the patent system thereby undermining innovation.

Similarly, the district court refused to reconsider the role Respondents had played in the erroneous award, thereby also abusing its discretion and entitling Petitioners to relief from judgment under Rule 60(b)(3). Yet, the Federal Circuit Opinion (Appx. D, Pages 22a–27a) went into great detail discrediting the arguments relied upon by the Respondents, the same arguments made to the district court and adopted verbatim by it. Respondents, while failing to acknowledge before the district court that the license agreement between Petitioner Spota and nonparty InSiteDE identified on its face as “nonexclusive,” argued Petitioner Spota relinquished its exclusionary rights in the patent-in-issue leaving “***a vacuum in the enforcement of the ‘664 patent,’***” (D.Ct.#169, page 4) and thereby lost standing. So spurious was Respondents’ argument that Petitioner Spota lost standing by entering into that nonexclusive license agreement, a panel member at oral argument stated he could not find any authority supporting Respondents’ position that such business transactions had left no one as the patentee, and asked if Respondents had any case. (23-1788\_02102025(1) (@ 43-45) Respondents’ counsel responded “no,” to which the panel member replied “I’m not surprised.” Is not the purpose of Rule 60(b)(3)—to prevent district courts from rewarding spurious argument? Does not failure of the Federal Circuit to vacate a sanctions award recognized by it to be based on errors of fact and law discourage patent holders from

enforcing their rights thereby threatening the integrity of the patent system? Can you have jurisdiction, be held not to have it, have that decision reversed--but still be responsible for the opponents' attorney fees based upon facts and law found to be erroneous thereby resulting in the reversal? How can such an outcome not have a chilling effect on patent holders enforcing their rights?

Respondents knew full well that disposal of this case for lack of standing/jurisdiction required that both Petitioners had lost standing/jurisdiction. After the Federal Circuit aptly declared that "patent rights do not exist in the ether" (Appx. D, Page 24 a), why then reject Petitioners' appeal of the district court's refusal to grant Petitioners relief from judgment of the sanctions award under Rule 60(b)(3)?

The district court refused to consider whether its sanctions award continued to be equitable. Yet, given that the stated basis for the district court's sanctions award, that both Petitioners relinquished standing, was exposed by the Federal Circuit's Opinion to be both factually and legally in error, the district court's sanctions award was no longer equitable—meaning the district court abused its discretion in not awarding Petitioners relief under Rule 60(b)(5).

The statements of the district court were not in accord with the facts and law in error as exposed in the Opinion of the Federal Circuit (Appx. D, Pages 22a–27a) thereby unfairly affecting the fairness of the proceedings. Why then did the Federal Circuit dismiss Petitioners' appeal that the district court abused its discretion in not awarding Petitioners relief from judgment under Rule 60(b)(5)? The

district court's sanctions award was based on a judgment in pertinent part vacated by the Federal Circuit. As such, applying the sanctions award prospectively was no longer equitable. Did not the district court abuse its discretion in refusing to accept that the Federal Circuit found the very facts and law upon which the sanction award had been based were erroneous, and failing to grant Petitioners' cross motion for relief from judgment? Why then did the Federal Circuit dismiss Petitioners' appeal?

This Court has held that Rule 60 (b)(6) applies only if no other section of Rule 60(b) applies. This Court has found that Rule 60 (b)(6) applies in the presence of extraordinary circumstances, and in the vast majority of cases, in the complete absence of fault on the part of the movant. *BLOM Bank SAL*, 145 S.Ct. at 1620.

The circumstances in this case were anything but usual. They were "extraordinary"—born of a desire by the district court to dispose of the case rather than effect justice for both parties. They include decisions by the lower courts in blatant disregard of the law of this Court—decisions culminating in an award of sanctions under the district court's inherent powers not tied to the express alleged misconduct of Petitioners. As culminating from decisions designed to dispose of a case rather than effect justice, the sanctions award if unrepudiated, cannot help but erode the confidence due district courts and the Federal Circuit in patent matters.

From August 29, 2019 to October 13, 2020 (Appx. K, Pages 121a–126a), proceedings in the District Court were stayed while Respondents made two attempts at the Patent Office for a Post-Grant Review of the patent in

suit, seeking to limit the patent in such a way as to avoid infringement. Those efforts failed totally.

Undaunted, through protracted Markman proceedings, Respondents induced the district court to ignore the express language of the patent claims in favor of extraneous limitations read from the specification into the claims to avoid infringement. The district court's adoption of Respondents' claim constructions to support an early finding of non-infringement and end to the case was reversed on appeal to the Federal Circuit and remanded for the district court's failure to apply long and well-established rules of claim construction. The Federal Circuit chastised the District Court, stating:

We have repeatedly cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification. (citations omitted). Here, the Court did just that. (Appx. M, Page 143a).

On remand, the district court declared that: the Federal Circuit was wrong; the specification was a totally proper source for the claim construction at hand; it was going to reverse the Federal Circuit in this matter, and twice directed Respondents to supplement their Motion for Summary Judgment of Patent Invalidity, a motion that all parties had agreed had been fully briefed and was long on the district court's docket for ruling.

Learning from the public record that the patent in suit was the subject of business transactions of Petitioners in December or 2021, Respondents induced the district court to dismiss the case for lack of jurisdiction. The district court

seized the opportunity, expressly found it lacked subject matter jurisdiction because both Petitioners relinquished standing by their respective business transactions and dismissed with prejudice “the action.” Appx. F, Page 93a. After doing so, as part of the same Opinion & Order, “in the alternative,” it granted Respondents’ patent invalidity summary judgment motion. Appx. F, Page 93a. Despite holding that it lacked jurisdiction as to the patent issues in suit, the district court issued an “alternative” opinion which itself had characterized as “advisory,” that the patent in issue was invalid, making good its promise to reverse the Federal Circuit.

The docket entry read in relevant part “Report on the Determination [Closing] of an Action Regarding a Patent...” Appx.J, Page 120a. Petitioners tried to appeal at that time, their remaining claim being of false advertising tied to a finding of noninfringement, but their appeal was dismissed as “premature.” Indeed, the record demonstrates that the district court ordered that the action proceed on the issue of validity while the issue of standing was pending. Yet, this Court has held that upon finding the absence of subject matter jurisdiction a district court’s only function is to announce that fact and dismiss the cause. *Steel Co.*, 523 U.S. at 94. That principle remains after the decision of this Court in *Riley v. Bondi*, 606 U.S. ---, 145 S.Ct. 2190, 222 L.Ed. 497 (2025).

Nor did the district court below did not stop there. It went further, expressly awarding sanctions to Respondents commensurate with the attorneys’ fees expended by them after December 2021 to defend Petitioners’ patent infringement claim. The measure of damages the district court awarded to Respondents was expressly tied by it to

the attorneys' fees expended by them to defend Petitioners' patent infringement claim after December 2021. Yet, the record demonstrates it was not even Petitioners' patent infringement claim but Respondents' invalidity counterclaim along with Respondents' challenge to both Petitioners' standing that was litigated after December 2021. It was Respondents' challenge to Petitioner Spota's standing for which the Federal Circuit was most critical in its Opinion (Appx. D, Pages 22a–27a), finding Petitioner Spota never lost standing.

On appeal to the Federal Circuit, the Federal Circuit found that the district court had grievously erred in finding both Respondents had lost standing by their respective business transactions, that there was absolutely no case law to support Respondents' position adopted by the district court, and that the dismissal, with prejudice, had been in error because the business transactions did not adversely impact the standing of Petitioner Spota, but only that of Petitioner Lowe. In other words, there was no delay, and there were no unnecessary costs of litigation.

On appeal, as to the district court's finding of "delay," the Federal Circuit deferred to the district court. But, there was no wrongful delay/extension of the litigation after December 2021 by Petitioners by having maintained their patent claim. Contrary to the district court, the case did not end in December of 2021. As to the sanctions award, the Federal Circuit also deferred to the district court's assessment, overlooking the fact that the quantification of the sanction was the litigation costs attendant to proceedings following the purported loss of jurisdiction, which was in fact never lost. The Federal Circuit, as had the district court, failed to follow this Court's directive for

the assessment of damages as a sanction as pronounced in *Goodyear*.

Even accepting the Federal Circuit's finding that the district court, under its inherent powers, could award sanctions against Petitioners for failing to disclose their respective business documents and amend the Fourth Amended Complaint to reflect transfer in ownership of the patent from one to the other, those facts did not delay/extend the litigation after December 2021 because Petitioner Spota never lost standing. While those facts are temporally related, they are not causally related to the misconduct as expressed by the district court. The facts and law found to be in error by the Federal Circuit were that both Petitioners relinquished standing after December 2021 yet continued litigating their patent claim—the express reason for the sanctions award.

Are these facts not extraordinary, and the continuation of the litigation after December 2021 without the fault of Petitioners, sufficient reason for the Federal Circuit to hear the appeal of denial of Petitioners' Rule 60(b) motion for relief from the sanctions award? Under Rule 60(b)(6), should not the district court have overturned its sanctions award to effect fundamental justice? Instead, the attempt to have the district court correct its errors by a Rule 60(b) motion was summarily dismissed by the Federal Circuit.

Had the Federal Circuit not focused on the adjunct findings of the district court as to Petitioners' nondisclosure—which the record exposes to have been weeks not the length of the litigation—the district court's abuse of its discretion in not finding Petitioners entitled to relief from the sanctions award under Rule 60(b)(1), (3) or



(5), and if not one of these, then Rule 60(b)(6) would have received proper consideration.

Rule 60(b) exists to ensure that district courts can correct judgments that are unjust due to errors of fact and/or law. Here, errors of fact and law were exposed by the Opinion of the Federal Circuit (Appx. D, Pages 22a–27a). Those errors fall within the express language of one if not multiple sections of Rule 60(b) justifying relief from judgment. Both the decision of the district court denying that relief, and the Federal Circuit’s failure to hear the appeal of Petitioners of the district court’s denial of their motion for relief from judgment of sanctions weaken Rule 60(b). They defy justice.

**B. The Law of This Court In *Goodyear* Was Not Properly Considered Or Followed.**

The law of this Court in *Goodyear* was also not properly considered and followed. Under the decision of this Court in *Goodyear*, a district court awarding sanctions under its inherent power may only award losses attributable to the sanctioned behavior:

This Court has made clear that such a sanction [an award of legal fees and costs incurred by the other side] when imposed pursuant to civil procedures, must be compensatory rather than punitive in nature...In other words, the fee award may go no further than to redress the wronged party ‘for losses sustained’; it may not impose an additional amount as punishment for the sanctioned party’s misbehavior.

*Goodyear*, 581 U.S. at 107-108.

The district court's sanction award goes further than to redress Respondents for losses sustained due to Petitioners' nondisclosures assuming only for sake of argument that they were "not merely an honest mistake." Therefore, under *Goodyear*, the district court abused its discretion when it refused to correct the errors of law and fact it made in granting Respondents fees and costs based on the litigation of the patent case from December 2021 forward as opposed to fees and costs related to Respondents' motion practice to obtain production of the business transfers documents. Yet, when the district court's mistakes of fact and law exposed by the Federal Circuit's Opinion (Appx. D, Pages 22a–27a) were brought to the attention of the district court by Petitioners' filing of their Motion for Relief from Judgment under Federal Rule of Civil Procedure 60(b), the district court refused to acknowledge its mistakes, or review and modify its sanctions award as needed, thereby abusing its discretion and entitling Petitioners to relief from judgment under Rule 60(b)(1). Yet, the Federal Circuit dismissed the appeal. Both decisions undermine uniformity in the application of *Goodyear*, as well as Rule 60(b).

Relying on the holdings of this Court in *Goodyear*, the circuits have rejected a "temporal" link requiring a "causal" link between alleged misconduct and harm to justify sanctions. *Wesco Ins. Co. v. Roderick Linton Belfance LLP*, 39 F.4th 326, 340 (6th Cir. 2022) ("[A] 'sanction' imposed under a court's inherent powers can *only* be 'compensatory,' never 'punitive'"); *Keyes Law Firm, LLC v. Napoli*, 120 F.4th 139, 144–45 (4th Cir. 2024) ("[T]he district court must 'establish a causal link' between the sanctioned behavior and the fees awarded"); *Virginia Properties LLC v. T. Mobile NE, LLC*, 865 F.3d

110, 114 (2d Cir. 2017) (“[W]e require “a high degree of specificity in the factual findings of lower courts” upon which sanctions for bad faith are based....an award of costs and attorney’s fees and sanctions must be related *causally*—and not simply *temporally*—to the sanctionable conduct”); and *Lu v. United States*, 921 F.3d 850, 859-61 (9th Cir. 2019) (“A court may not shift fees if “the same work would have been done (for example, the same deposition taken) to contest the *non*-frivolous claims in the suit.”) The Federal Circuit’s refusal to hear Petitioners’ appeal allows a sanction award to stand that conflicts with the decisions of these circuits—each of which requires a specified causal, and not merely a temporal, connection between an award of sanctions made under a district court’s inherent powers and the misconduct. The Federal Circuit’s refusal to hear Petitioners’ appeal in contrast allows sanctions even when the harm is unrelated to the expressly stated misconduct as confirmed by the calculation of the damages award, itself, undermining not just the rule of this Court set forth in *Goodyear* but simple fairness.

How can the Bar, and the Patent Bar in particular, have any faith in district court proceedings, and their review by the Federal Circuit, a Court specifically established to be expert in patent matters, when they make gross errors such as those presented above, and which fly in the face of express rulings by this Court such as *Goodyear*? How can there be any faith in a system that refuses to even entertain correcting such errors? The district court did nothing from the beginning but to seek whatever avenue was offered to it to dispose of the case. When shown to be wrong by the Federal Circuit, it then declared that it would reverse that higher court and did so by holding the

patent invalid. Yet, before it could rule on that invalidity, it seized the opportunity to dismiss the case for lack of jurisdiction on make-believe law fashioned uniquely by Respondents—just as they had fashioned patent claim construction. Then, though both the District Court and Federal Circuit were requested to correct their errors, both refused.

**C. Not Only Are The Holdings Of This Court In *McLane*, *Highmark*, *Cooter And Goodyear* Undermined, But Once Again So Is The Holding In *Steel Co*.**

Why should a sanctions award be allowed to stand when the district court expressly tied it to what it held to be the wrongful continued prosecution of a patent infringement claim after standing was relinquished by both Petitioners—when that determination was found to be both factually and legally in error? According to the decision in *Steel Co.*, the patent infringement case should not have continued in the first instance given the district court’s holding that it lacked Article III subject matter jurisdiction. The district court action should have been dismissed without prejudice. An “alternative” decision should not have been handed down or considered on appeal—such an alternative decision being recognized by both Respondents and the district court to be “advisory” in nature. How could it possibly be the fault of Petitioners that the patent claim continued to be litigated, when it was Petitioners who attempted to appeal the case after the decision was rendered that both Petitioners relinquished standing? Was it not the decision of the district court, with the encouragement of Respondents, to insist on proceeding with the issue of patent invalidity so as to allow

the district court to issue a definitive decision on the merits in the “alternative?” If the district court had been correct in its determination that both Petitioners lacked subject matter jurisdiction, and the Federal Circuit affirmed that determination, would it not have been unconstitutional since the effective “owner” of the patent (i.e., non-party InSite DE) was denied its right to defend its validity? Are not all of these circumstances the result of ignoring *Steel Co.* in the first instance? Can it be that *Steel Co.* is not further weakened by allowing a sanction award to stand that was expressly tied to hiding the relinquishment of standing—when in fact standing was never relinquished?

## V. CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted. The Court should reverse the Federal Circuit's decision dismissing Petitioners' Appeal Of the District Court's Denial of Petitioners' Motion for Relief Under Rule 60(b), clarify the proper application of Rule 60(b) requires it be granted when clear error by the district court is shown to have occurred upon appeal, hold that imposition of sanctions in a civil proceeding requires a factual statement of a high degree of specificity supporting not just a temporal but a causal connection, and affirm the principle of *Steel Co.* that finding subject matter jurisdiction to be lacking, a district court has no course of action but to dismiss the cause without prejudice.

Respectfully submitted,

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November 19, 2025

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**APPENDIX A — ORDER OF THE UNITED  
STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT, FILED SEPTEMBER 5, 2025**

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

2025-1913

CLIFFORD A. LOWE, SPOTA LLC,  
fka INSITE SOLUTIONS, LLC,

*Plaintiffs-Appellants,*

v.

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

*Defendants-Appellees.*

Filed September 5, 2025

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

ON MOTION

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

PER CURIAM.

*Appendix A***ORDER**

Plaintiffs Clifford A. Lowe and Spota LLC have appealed from the district court’s denial of their motion under Fed. R. Civ. P. 60(b) seeking relief from a sanctions award we previously affirmed in *Lowe v. ShieldMark, Inc.*, No. 2023-1786, 2025 WL 893211 (Fed. Cir. Mar. 24, 2025). The defendants have moved to dismiss the appeal as frivolous and for sanctions under Fed. R. App. P. 38. The plaintiffs oppose that motion.

The background of this case is set out in three appeals decided by this court.<sup>1</sup> Relevant here, in December 2021, Mr. Lowe assigned the asserted patent to Spota, and Spota thereafter licensed the patent to a third party. Based on those transactions, the district court concluded that both Mr. Lowe and Spota lost Article III standing to assert the patent. In the alternative, the court found that the asserted patent claims were invalid. The court also awarded \$213,765 in sanctions because the plaintiffs failed to timely disclose the ownership and license documents during discovery and filed an amended complaint that “explicitly misrepresented to Defendants and to [the District] Court the status of the patent.” *Lowe*, 2025 WL 893211, at \*9 (quoting district court decision).

On appeal, we held that Spota had standing to sue, but Mr. Lowe did not. We then affirmed the district court’s

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1. See *Lowe*, 2025 WL 893211; *Lowe v. ShieldMark, Inc.*, No. 2021-2164, 2022 WL 636100 (Fed. Cir. Mar. 4, 2022); *Lowe v. ShieldMark, Inc.*, No. 2022-2273, 2022 WL 17246331 (Fed. Cir. Nov. 28, 2022).

*Appendix A*

invalidity ruling. As for the \$213,765 sanction, we held that there was “no clear error in the district court’s finding of bad faith conduct by the plaintiffs that prejudiced the defendants.” *Id.* at \*10. We explained that Mr. Lowe “lost Article III standing after the Assignment, and the plaintiffs’ conduct delayed litigation with respect to Lowe’s patent infringement claim.” *Id.* We therefore affirmed the sanctions award under the district court’s inherent authority. *Id.*<sup>2</sup> Lowe petitioned for rehearing, arguing we should not have affirmed the sanctions award after finding Spota had standing because that meant “there was no delay in the litigation caused by Plaintiffs-Appellants in rightfully challenging” the decision dismissing both plaintiffs for lack of standing;<sup>3</sup> rehearing was denied.

After mandate issued, Lowe moved the district court for relief from the sanctions award, reasserting its argument that “[a]ny delay in the proceedings was not the result of Plaintiffs’ justified opposition to ShieldMark’s position that both Plaintiffs had lost standing.” *Lowe v. ShieldMark, Inc. et al*, 19-748, Dkt. No. 238-1 at 2 (N.D. Ohio). But the court found such relief foreclosed under this court’s mandate, explaining that this court “explicitly affirmed the [District] Court’s judgment regarding sanctions under its inherent power. . . . Moreover, the Federal Circuit anticipated and expressly rejected the

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2. This court vacated and remanded a separate \$4,750 sanctions award against Lowe regarding a motion to seal an expert report. *Lowe*, 2025 WL 893211, at \*10. That sanctions award is no longer at issue.

3. Appeal No. 2023-1786, ECF No. 57 at 15-17.

*Appendix A*

argument that Plaintiffs raise. . . . By emphasizing Plaintiff Lowe’s lack of standing, the Circuit indicated that Plaintiff Spota’s standing did not affect its sanction analysis.” *Id.*, Dkt. No. 239 at 4-5 (emphasis in original). Lowe appeals, and we have jurisdiction under 28 U.S.C. § 1295(a)(1).

We summarily affirm the district court’s decision because there is no “substantial question regarding the outcome of the appeal.” *Joshua v. United States*, 17 F.3d 378, 380 (Fed. Cir. 1994). Under the mandate rule, “issues actually decided on appeal—those within the scope of the judgment appealed from, minus those explicitly reserved or remanded by the court—are foreclosed from further consideration.” *Amado v. Microsoft Corp.*, 517 F.3d 1353, 1360 (Fed. Cir. 2008) (cleaned up). Here, the district court was clearly correct that our mandate foreclosed further consideration of the sanctions award; we affirmed that award, despite concluding that Spota had standing, because there was no clear error in the court’s findings regarding the plaintiffs’ bad faith conduct that prejudiced the defendants, including the plaintiffs’ failure to timely supplement discovery responses and their misrepresentation of patent ownership in the Fourth Amended Complaint. *Lowe*, 2025 WL 893211, at \*9-10. The plaintiffs’ attempts to ward off summary disposition here are meritless.<sup>4</sup>

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4. The plaintiffs’ arguments misinterpret this court’s prior decision and mandate. They argue that “[w]hat this Court did not do on appeal, is determine whether the findings of fact on which the sanctions award was made were erroneous.” ECF No. 10 at 1. However, this court’s decision explained that “[f]actual

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Setting aside the procedural problem that the mandate rule bars the relief the plaintiffs are seeking through their current appeal, the plaintiffs' core contention on the merits is that the district court's sanctions order was erroneously based on that court's conclusion that if the plaintiffs had disclosed the information regarding the transactions of December 2021, the defendants could have successfully moved for summary judgment at that time. Because this court subsequently held that the district court was wrong to conclude that those transactions deprived both Mr. Lowe and Spota of standing (rather than holding that only Mr. Lowe lost standing), the case could have proceeded with only Spota as the party with standing. In effect, the plaintiffs are contending that the misconduct identified by the district court was harmless and that it was therefore improper for the district court to award monetary sanctions for that course of misconduct.

That argument, however, ignores the fact that the district court's sanctions order was principally based on what the court found to be a course of bad faith conduct by the plaintiffs. That course of conduct included (1) failing to satisfy their discovery obligations with respect

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findings underlying sanctions based on the district court's inherent powers are reviewed for clear error" and that, after review, we "discern[ed] no clear error in the district court's finding[s]." *Lowe*, 2025 WL 893211, at \*10. The plaintiffs also argue that they "did not have an opportunity to argue these mistakes on appeal because this Court first revealed them in its opinion." ECF No. 10 at 4. But the plaintiffs raised those purported mistakes in their petition for rehearing, which was denied. *See Retractable Techs., Inc. v. Becton Dickinson & Co.*, 757 F.3d 1366, 1373 (Fed. Cir. 2014).

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to the December 2021 transfer documents, (2) denying the existence of those documents, and (3) as the district court found, “blatantly misrepresent[ing]” in the Fourth Amended Complaint filed on June 7, 2022, that “Lowe is the owner of all rights, title, and interest in and to the [asserted] patent [and Spota] is an exclusive licensee under the [asserted] patent,” and that “Lowe and [Spota] share rights of enforcement and recovery under the [asserted] patent.” *Lowe v. ShieldMark, Inc.*, No. 19-748, Dkt. No. 224 at 8 (N.D. Ohio Apr. 21, 2023) (quoting Dkt. No. 127 at 3).

Even after the defendants independently discovered the December 9, 2021, patent assignment from Mr. Lowe to Spota in late June 2022, *see id.*, Dkt. No. 150 at 3 & Exh. A, the plaintiffs argued that the assignment did not deprive Mr. Lowe of standing, *id.*, Dkt. No. 151 at 1. They based that argument on a “certain Patent License Agreement” between Lowe and Spota, which they did not share with the defendants, but offered to make available to the court for *in camera* review. *Id.*, Dkt. No. 151 at 1. When the defendants asked the court to order that the Patent License Agreement be produced to them, the court so directed. *Id.*, Dkt. Nos. 153 and 154. The plaintiffs then sought reconsideration of the court’s order and produced a highly redacted version of the Patent License Agreement. *Id.*, Dkt. Nos. 157 and 157-2. The defendants objected to the redactions, *id.*, Dkt. No. 158, and the court ordered the plaintiffs to produce all documents related to the transfer of the asserted patent, licensing of the asserted patent, or the right to enforce the asserted patent, *id.*, Dkt. No. 159.



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While the plaintiffs' course of misconduct did not ultimately have the effect of depriving the defendants of the right to summary judgment on the entire case based on standing, it plainly affected the posture of the case with regard to Mr. Lowe's standing, and it completely altered the manner and timing of the resolution of the standing issue before the district court.

We therefore grant the appellees' motion to the extent that we summarily affirm the order of the district court denying the plaintiffs' Rule 60(b) motion for relief from the judgment in this case.

Accordingly,

IT IS ORDERED THAT:

(1) The motion is granted to the extent the district court's decision is summarily affirmed.

(2) While the outcome of this appeal is not in doubt, we do not regard the appeal as so wholly frivolous that further sanctions should be imposed against the plaintiffs under Fed. R. App. P. 38.

(3) Costs, but not attorney fees, will be awarded to the defendants.

September 5, 2025  
Date

FOR THE COURT

s/ Jarrett B. Perlow

Jarrett B. Perlow  
Clerk of Court

**APPENDIX B — OPINION AND ORDER  
OF THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO,  
FILED MAY 27, 2025**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO

Case No. 1:19-cv-0748

CLIFFORD A. LOWE, *et al.*,

*Plaintiffs,*

v.

SHIELDMARK, INC., *et al.*,

*Defendants.*

Filed May 27, 2025

**OPINION & ORDER  
[RESOLVING DOCS. 237, 238]**

JAMES S. GWIN, *United States District Judge:*

**I. INTRODUCTION**

Before the Court are (1) Defendants' Motion to Collect on Supersedeas Bond<sup>1</sup> and (2) Plaintiffs' Cross Motion

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1. Doc. 237.

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for Relief from Judgment Under Federal Rule of Civil Procedure 60(b).<sup>2</sup>

For the reasons set forth below, the Court **GRANTS** Defendants' motion and **ORDERS** Colonial Surety Company to pay the amount of \$234,568.26 to Defendant ShieldMark, Inc., plus a per diem amount of \$27.41 from May 19, 2025, to the date of this Order. To the extent this amount exceeds the \$235,000 bond, the excess shall be paid by Plaintiffs. The Court further **DENIES** Plaintiffs' Rule 60(b) motion because the Federal Circuit's decision gave only a specific and limited mandate.

## II. BACKGROUND

Plaintiffs filed this patent infringement action in 2019. On April 21, 2023, this Court gave judgment to Defendants on Plaintiffs' patent infringement and Lanham Act claims and awarded Defendants \$213,765 in attorney's fees and costs under the Court's inherent authority.<sup>3</sup> The Court found a direct causal connection between Plaintiffs' conduct—including failure to disclose business transfers—and Defendants' litigation expenses incurred after December 2021.<sup>4</sup> The Court also entered a separate \$4,750 award based on a violation of Local Patent Rule 2.2.<sup>5</sup>

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2. Doc. 238.

3. Docs. 224, 225.

4. Doc. 224.

5. *Id.*

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Plaintiffs appealed. On March 24, 2025, the Federal Circuit affirmed in part this Court's standing ruling, affirmed this Court's patent invalidity ruling, and affirmed the \$213,765 sanctions award.<sup>6</sup> It vacated and remanded the \$4,750 fee related to Local Patent Rule 2.2 after finding this Court had not adequately found bad faith.<sup>7</sup> On May 12, 2025, the Federal Circuit denied a petition for panel rehearing and denied a petition for rehearing en banc. On May 19, 2025, the Federal Circuit issued its mandate,<sup>8</sup> thus finalizing the appellate process.

Plaintiffs now seek to collect the \$213,765 worth of sanctions, plus interest, that the Federal Circuit affirmed under this Court's inherent authority.<sup>9</sup> Defendants have waived any sanctions based on the alleged violation Local Patent Rule 2.2.<sup>10</sup>

### **III. DEFENDANTS' MOTION TO COLLECT ON SUPERSEDEAS BOND**

The Court previously granted Plaintiffs' motion for a stay pending appeal conditioned on posting a supersedeas

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6. *Lowe v. ShieldMark, Inc.*, Nos. 2023-1786, 2023-1871, 2023-1893, 2025 WL 893211 (Fed. Cir. Mar. 24, 2025).

7. *Id.*

8. Doc. 236.

9. Doc. 237.

10. *Id.*

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bond.<sup>11</sup> On July 12, 2023, Plaintiffs posted a \$235,000 bond through Colonial Surety Company.<sup>12</sup>

Defendants now move to collect on that bond. The post-judgment interest rate applicable under 28 U.S.C. § 1961 is 4.68%, yielding a per diem interest of \$27.41. As of May 19, 2025, the total due is \$234,568.26, comprised of the \$213,765 award and \$20,803.26 in accrued interest.

Because the Federal Circuit affirmed the sanctions award, Defendants are entitled to satisfaction of that judgment. The bond is sufficient to satisfy this sum. The Court **GRANTS** Defendants' Motion to Collect on Supersedeas Bond and **ORDERS**:

1. Colonial Surety Company shall pay **\$234,568.26**, plus **\$27.41 per day from May 19, 2025, through the date of this Order**, to Defendant ShieldMark, Inc.
2. If interest accrued through the date of payment exceeds the bond's value, Plaintiffs shall pay the balance beyond the \$235,000 bond.

#### **IV. PLAINTIFFS' RULE 60(b) MOTION FOR RELIEF FROM JUDGMENT**

Plaintiffs seek relief under Rules 60(b)(1), (3), (5), and (6), arguing that the Federal Circuit's reversal of

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11. Doc. 232.

12. Doc. 233.

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this Court’s standing ruling as to Plaintiff Spota LLC nullifies the sanctions award, which Plaintiffs allege was based upon the mistaken belief that Spota lost standing.<sup>13</sup>

The mandate rule bars Plaintiffs’ motion.

After an appeal’s conclusion, “[u]nless remanded by [the Circuit], all issues within the scope of the appealed judgment are deemed incorporated within the mandate and thus are precluded from further adjudication.”<sup>14</sup> This mandate rule “forecloses reconsideration of issues implicitly or explicitly decided on appeal,”<sup>15</sup> even if a party seeks reconsideration under Rule 60(b).<sup>16</sup> A mandate that resolves all other issues and returns the case for a limited purpose does not authorize this Court to reopen decided issues.<sup>17</sup>

The Federal Circuit’s remand in this case was not general. It explicitly **affirmed** the Court’s judgment regarding sanctions under its inherent power.<sup>18</sup> The

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13. Doc. 238.

14. *Retractable Techs., Inc. v. Becton Dickinson & Co.*, 757 F.3d 1366, 1371 (Fed. Cir. 2014) (quoting *Engel Indus., Inc. v. Lockformer Co.*, 166 F.3d 1379, 1383 (Fed. Cir. 1999)).

15. *Amado v. Microsoft Corp.*, 517 F.3d 1353, 1364 (Fed. Cir. 2008).

16. *Retractable Techs.*, 757 F.3d at 1373.

17. *See Sprague v. Ticonic Nat’l Bank*, 307 U.S. 161, 168 (1939).

18. *Lowe*, 2025 WL 893211, at \*9–10 (Fed. Cir. Mar. 24, 2025).

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Federal Circuit remanded only the \$4,750 fee related to Local Patent Rule 2.2<sup>19</sup> that the Defendants have since waived.

Moreover, the Federal Circuit anticipated and expressly rejected the argument that Plaintiffs raise on their Rule 60(b) motion now. Plaintiffs claim that the Court should vacate its sanctions award because the Court awarded sanctions based on finding that **both** Plaintiff Clifford Lowe and Plaintiff Spota lacked standing. Plaintiffs say the Federal Circuit disagreed, finding that Plaintiff Spota still had standing, so the sanctions award cannot stand.

The Federal Circuit, though, explicitly held that “**Lowe** lost Article III standing,” and Plaintiffs’ conduct related to standing was sanctionable because it “delayed litigation with respect to Lowe’s patent infringement claim.”<sup>20</sup> By emphasizing Plaintiff Lowe’s lack of standing, the Circuit indicated that Plaintiff **Spota’s** standing did not affect its sanction analysis.

Accepting Plaintiffs’ Rule 60(b) argument would require contradicting the Circuit’s opinion. Accordingly, the requested Rule 60(b) relief is barred.

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19. *Id.* at \*10.

20. *Lowe*, 2025 WL 893211, at \*10 (Fed. Cir. Mar. 24, 2025).

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**V. CONCLUSION**

For the foregoing reasons:

1. Defendants' **Motion to Collect on Supersedeas Bond** (Doc. 237) is **GRANTED**.
2. Colonial Surety Company is **ORDERED** to pay **\$234,568.26** to Defendant ShieldMark, Inc., plus **\$27.41 per day** from May 19, 2025 through the date of this Order.
3. To the extent total liability exceeds the bond amount, the **balance is assessed against Plaintiffs**.
4. Plaintiffs' **Motion for Relief from Judgment under Rule 60(b)** (Doc. 238) is **DENIED**.

IT IS SO ORDERED.

Dated: May 27, 2025

/s/ James S. Gwin  
James S. Gwin  
United States District Judge



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**APPENDIX C — ORDER OF THE UNITED  
STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT, FILED MAY 12, 2025**

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

2023-1786, 2023-1871, 2023-1893

CLIFFORD A. LOWE, SPOTA LLC,  
fka INSITE SOLUTIONS, LLC,

*Plaintiffs-Appellants,*

v.

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

*Defendants-Cross-Appellants.*

Filed May 12, 2025

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

*Appendix C*

**ON PETITION FOR PANEL REHEARING AND  
REHEARING EN BANC**

Before MOORE, *Chief Judge*, LOURIE, BRYSON<sup>1</sup>, DYK,  
PROST, REYNA, TARANTO, CHEN, HUGHES, CUNNINGHAM,  
and STARK, *Circuit Judges*.<sup>2</sup>

PER CURIAM.

**ORDER**

Clifford A. Lowe and Spota LLC filed a combined petition for panel rehearing and rehearing en banc. The petition was referred to the panel that heard the appeal, and thereafter the petition was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

May 12, 2025  
Date

FOR THE COURT

s/ Jarrett B. Perlow

Jarrett B. Perlow  
Clerk of Court

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1. Circuit Judge Bryson participated only in the decision on the petition for panel rehearing.

2. Circuit Judge Newman and Circuit Judge Stoll did not participate.

**APPENDIX D – OPINION OF THE UNITED  
STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT, FILED MARCH 24, 2025**

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

2023-1786, 2023-1871, 2023-1893

CLIFFORD A. LOWE, SPOTA LLC,  
fka INSITE SOLUTIONS, LLC,

*Plaintiffs-Appellants,*

v.

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

*Defendants-Cross-Appellants.*

Decided March 24, 2025

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

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

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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

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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:

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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

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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 nonexclusive 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.

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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



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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 nonexclusive 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

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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.

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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. Bebop, Inc.*, 211 F.3d 1245, 1251 (Fed. Cir. 2000) and *Lone Star*, 925 F.3d at 1231. *Id.*<sup>1</sup>

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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

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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 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]

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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.

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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

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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

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'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,<sup>2</sup> retain the exclusive rights to elect to maintain, control, and settle the ShieldMark Litigation.” App. 1810. That statement, however, makes no reference to an oral licensing agreement. If anything, its reference to Lowe

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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.

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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)



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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

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therefore waived any argument that Dorenbusch does not disclose those limitations.<sup>3</sup>

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.”<sup>4</sup> *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

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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.

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

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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 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

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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 counterclaim 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

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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.’” *Wysong 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

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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.<sup>5</sup> 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.*

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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.

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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.*

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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.<sup>6</sup> 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.

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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.



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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).

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.*

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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

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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.<sup>7</sup> Local Patent Rule 2.2 for the 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

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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 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).

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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 photograph of DuraStripe floor tape “without identifying it as the prior-art DuraStripe floor tape with ‘unique

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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

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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**

**APPENDIX E – OPINION AND ORDER OF THE  
UNITED STATES DISTRICT COURT FOR  
THE NORTHERN DISTRICT OF OHIO,  
FILED APRIL 21, 2023**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO

[Resolving Doc. 199, 203, 218, 223]

CLIFFORD A. LOWE, *et al.*,

*Plaintiffs,*

v.

SHIELDMARK, INC., *et al.*,

*Defendants.*

Filed April 21, 2023

**OPINION & ORDER**

JAMES S. GWIN, UNITED STATES DISTRICT  
JUDGE:

This Court previously granted summary judgment for Defendants ShieldMark Inc., Advanced Plastics, Inc., and Crown Equipment Corporation on Plaintiffs Lowe and Spota LLC's patent infringement and Lanham Act false advertising claims.<sup>1</sup> Defendants counterclaim for

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1. Doc. 191, 219.

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attorneys' fees and costs under § 285 of the Patent Act, and alternatively move for fees and costs under both Fed. R. Civ. P. 37 for discovery sanctions and the Court's inherent power to impose sanctions.<sup>2</sup>

Defendants seek fee awards on three grounds. First, Defendants say they should receive all fees and costs for litigating Plaintiffs' patent infringement claim because Plaintiff Lowe engaged in inequitable conduct before the Patent and Trademark Office ("PTO"). Second, in the alternative, Defendants seek costs and fees incurred in the patent infringement portion of this action from December 2021 onwards. In seeking costs and fees, Defendants argue that Plaintiffs prolonged litigation of the infringement claim by concealing that in December 2021, they transferred away their exclusionary rights in the patent and thereby relinquished their Article III standing. Third, Defendants ask for fees and costs incurred when in July 2022, Defendants had to move to seal a Plaintiff expert report that contained information Defendants had marked as highly confidential.<sup>3</sup>

The Court finds that Plaintiffs acted in bad faith to hide their loss of standing, and that they violated their obligation to protect Defendants' confidential information. Accordingly, the Court will **GRANT IN PART** Defendants' motion as to fees and costs incurred after December 2021 for the patent litigation and for the motion to seal and

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2. Doc. 203, 218.

3. *Id.*



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will **DENY IN PART** Defendants' motion as to patent litigation fees incurred before December 2021.<sup>4</sup>

**I. BACKGROUND**

The Court has already summarized the background of this case in other orders.<sup>5</sup> Briefly, Plaintiffs Lowe and Spota LLC compete with Defendants in the industrial floor-tape market. Plaintiffs sued Defendants alleging that Defendants' floor tape infringed on Plaintiffs' tape patent and that Defendants' tape did not conform to how Defendants described the tape in their advertising.

When this litigation commenced, Plaintiff Lowe owned the relevant '664 patent.<sup>6</sup> But in early December 2021, Lowe sold his patent to Plaintiff Spota LLC (then d/b/a Insite Solutions North Carolina).<sup>7</sup> Then, on December 16, 2021, Spota LLC granted nonparty Insite Delaware

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4. After the Court granted summary judgment for Defendants on Plaintiffs' Lanham Act claim, Plaintiffs on April 14, 2023, filed a Notice of Appeal to the Federal Circuit. (Doc. 222). Then, on April 20, 2023, Plaintiffs asked the Court to clarify whether their appeal was premature or whether the Court's Lanham Act order, in combination with the Court's previous patent-infringement summary judgment order, created a final, appealable judgment. (Doc. 223). Because this order disposes of the final, outstanding counterclaim at issue in this case, the Court DENIES Plaintiffs' motion to clarify as moot.

5. Doc. 191, 219.

6. Doc. 191 at PageID #: 6282.

7. *Id.* at PageID #: 6287.

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a permanent, irrevocable, non-exclusive and royalty-free license under the patent. Crucially, because the license was both “fully transferable” and “fully sub-licensable,” it eliminated Spota’s power to exclude Defendants under the patent. Thus, by December 2021, both Lowe and Spota had relinquished their exclusionary power under the patent and their standing to enforce the patent.<sup>8</sup>

In discovery, Defendants had previously requested Plaintiffs produce all ’664 patent ownership and licensing materials.<sup>9</sup> But despite Plaintiffs’ Rule 26 obligation to supplement discovery, Plaintiffs did not amend their discovery responses or production to disclose the ownership and licensing changes.<sup>10</sup> In fact, Plaintiffs filed a Fourth Amended Complaint that specifically misrepresented the ownership and licensing status of the patent.<sup>11</sup> As a result, Plaintiffs’ standing issue did not come to light until around seven months later, when Defendants independently discovered the ownership change.

When Defendants discovered the sale and confronted Plaintiffs about it, Plaintiffs initially refused to produce the new ownership and licensing agreements. Defendants were forced to move to compel production, and in July 2022, the Court ordered Plaintiffs to file *inter alia* all available documents related to any ownership transfer

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8. *Id.* at PageID #: 6285.

9. *Id.* at PageID #: 6284.

10. *Id.*

11. Doc. 127 at PageID #: 5259.

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of the '664 patent; all documents related to any licensing of the '664 patent; and all documents related to Plaintiff Lowe's authority to prosecute '664 patent claims.<sup>12</sup> These productions culminated in Defendants moving for and the Court granting summary judgment on Plaintiffs' patent infringement claim. Because they had transferred the '664 patent right to exclude, the Court found they lost standing.

Separately, in July 2022, Plaintiffs publicly filed an expert report that cited to information from documents that Defendants had marked as highly confidential and for Attorneys' Eyes Only. Defendants moved to seal the expert report and to implement a protective order,<sup>13</sup> and on July 27, 2022, the Court granted the protective order motion.<sup>14</sup>

## II. DISCUSSION

### A. Jurisdiction

As a preliminary matter, the Court notes that it has subject matter jurisdiction to decide Defendants' fees counterclaim.

Plaintiffs argue to the contrary, contending that the Court lost jurisdiction over Defendants' § 285 counterclaim when it dismissed Plaintiffs' patent infringement claim.

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12. Doc. 154.

13. Doc. 162, 172.

14. Doc. 174.

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But a § 285 counterclaim confers subject matter jurisdiction independent of an initial patent infringement claim. Indeed, in *H.R. Technologies, Inc. v. Astechologies, Inc.*, the Federal Circuit held that a district court that dismissed a plaintiff's patent infringement suit for lack of standing had erred in also dismissing the defendant's counterclaims for § 285 attorneys' fees.<sup>15</sup>

The panel in *Astechologies* wrote:

The standing defect, however, had no effect on the remaining counterclaims. Regardless of patent ownership, it was not improper for [defendant] to assert the counterclaims of unfair competition, tortious interference with business relations, and section 285 attorney fees against [plaintiff].<sup>16</sup>

Thus, the Court keeps jurisdiction to hear Defendants' fees counterclaim.<sup>17</sup>

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15. 275 F.3d 1378, 1386 (Fed. Cir. 2002).

16. *Id.* Several district courts have found that they cannot award fees under § 285 to a party who obtains a dismissal *without* prejudice, because dismissal without prejudice is not final and does not render the moving party a "prevailing party." *See, e.g., Waterblasting Techs., Inc. v. Blasters, Inc.*, 2018 WL 791263 (M.D. Fla. Feb. 7, 2018); *Polyzen, Inc. v. RadiaDyne, LLC*, 2017 WL 5005990 (E.D.N.C. Nov. 2, 2017). These cases are not relevant here because the Court's patent summary judgment order dismissed Plaintiffs' patent infringement claim *with* prejudice after finding their standing issue incurable.

17. Plaintiffs bafflingly have repeatedly cited to *Astechologies* to support their argument that the Court lacks jurisdiction over

*Appendix E***B. Timeliness**

The Court also finds that Defendants' fees motion was timely filed.

Fed. R. Civ. P. 54(d)(2)(B) directs parties to file motions for attorneys' fees no later than 14 days after entry of judgment. Plaintiffs argue that Defendants' motion is untimely because Defendants should have moved for fees within 14 days of the Court granting partial summary judgment for Defendants on Plaintiffs' patent claim on August 23, 2022.

But unless a court has severed its order under Rule 54(b), an order granting only partial summary judgment is not a final judgment that triggers the 14-day window.<sup>18</sup> Plaintiffs repeat an argument that this Court and the Federal Circuit have both already rejected, namely that the Court severed the patent issue and that its summary

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Defendants' fees claim. (Doc. 208 at PageID #: 6704; Doc. 223 at PageID #: 7012, n. 1). As demonstrated above, *Astechnologies* directly contradicts Plaintiffs' position. *See also Highway Equip. Co. v. FECO, Ltd.*, 469 F.3d 1027, 1032-33 (Fed. Cir. 2006) ("Highway Equipment first argues that the district court erred in retaining jurisdiction over FECO's request for attorney fees under 35 U.S.C. § 285 because, once Highway Equipment gave FECO a pre-verdict covenant not to sue on the patent infringement issues, the court lost Article III subject matter jurisdiction over the patent-based fee request. We disagree. Under our precedent, the district court correctly retained jurisdiction over FECO's claim for attorney fees under 35 U.S.C. § 285.").

18. *DeShiro v. Branch*, 183 F.R.D. 281, 284 (M.D. Fla. 1998).

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judgment order was a final order. Because this was not the case, Defendants' motion is not untimely.

**C. Defendants' § 285 Counterclaim****1. Legal Standard**

"An award of attorneys' fees under § 285 is intended to compensate the prevailing party for costs that it would not have incurred but for the conduct of the losing party and is within the sound discretion of the district court."<sup>19</sup> Awarding fees is a two-step inquiry: the district court must determine "whether there is clear and convincing evidence that a case is exceptional," and if so, "whether an award of attorney fees is justified."<sup>20</sup>

A prevailing party may prove that a case is exceptional "by showing: inequitable conduct before the PTO; litigation misconduct; vexatious, unjustified, and otherwise bad faith litigation; a frivolous suit or willful infringement."<sup>21</sup>

**2. Inequitable Conduct**

Defendants argue that from the outset, Plaintiff Lowe's inequitable conduct before the PTO tainted this litigation.

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19. *Campbell v. Spectrum Automation Co.*, 601 F.2d 246, 251 (6th Cir. 1979).

20. *Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.*, 563 F.3d 1358, 1372-73 (Fed. Cir. 2009).

21. *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1380 (Fed. Cir. 2001).

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“Inequitable conduct occurs when a patent applicant intentionally does not disclose to the PTO information that is material to their patent application.”<sup>22</sup> Material information includes “any information that a reasonable examiner would be substantially likely to consider important in deciding whether to allow an application to issue as a patent.”<sup>23</sup> At the summary judgment stage, courts evaluate inequitable conduct based on whether a patent applicant (1) knew of highly material information, (2) knew or should have known that the information was material, and (3) has not credibly explained why they withheld that information from the PTO.<sup>24</sup>

Here, Defendants argue that Plaintiff Lowe knew and did not disclose to the PTO that Defendant ShieldMark used to make a patented, prior art floor tape called DuraStripe. DuraStripe, like the '664 tape, is an industrial floor tape with unique beveled edges.<sup>25</sup> Lowe was indisputably familiar with DuraStripe when he applied for the '664 patent in 2015: he worked as a DuraStripe distributor from 2004-2011.<sup>26</sup>

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22. *M. Eagles Tool Warehouse, Inc. v. Fisher Tooling Co.*, 439 F.3d 1335, 1339 (Fed. Cir. 2006).

23. *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1274 (Fed. Cir. 2001).

24. *Ferring B.V. v. Barr Lab'ys, Inc.*, 437 F.3d 1181, 1191 (Fed. Cir. 2006).

25. Doc. 203 at PageID #: 6502.

26. *Id.*

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Despite his familiarity with DuraStripe, Lowe submitted minimal information about the tape to the PTO. He provided a photograph depicting DuraStripe and Defendant ShieldMark's current floor-tape product, Mighty Line, sitting side by side, and he provided a description of that photograph which read: "Photograph showing profiles of two floor-tapes; the left-hand tape was on sale in the United States prior to April 2004; the right-hand tape is on sale in 2018."<sup>27</sup> Nothing he submitted identified DuraStripe by name or patent number.

Lowe argues that he satisfied his obligation to disclose DuraStripe when he submitted the photograph, and that he was not required to "interpret" the photograph for the examiner. He cites to cases finding that a "patent examiner is capable of independently evaluating the material before him, so the representations as to how to interpret that material cannot be the basis for a finding of inequitable conduct."<sup>28</sup> The Court is skeptical of the extent to which these cases apply, as they all appear to involve scenarios where the Patent Office had enough information to identify the prior art at issue.

Although a close question, the Court nevertheless does not find that Lowe engaged in inequitable conduct

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27. *Id.* at PageID #: 6501. Although Lowe first applied for the '664 patent in 2015, it was not issued until 2019—hence Lowe's submission of a photograph noting that there was a floor tape on sale as late as 2018.

28. *See, e.g., Exergen Corp. v. Brooklands Inc.*, 290 F. Supp. 3d 113, 124 (D. Mass. 2018) (cleaned up).



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rising to a level that merits a fee award. Lowe did not hide the existence of DuraStripe or the possibility of prior art entirely—he noted to the patent office that the photograph contained a tape on sale since 2004. Because 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.

### 3. Litigation Misconduct

Even if the Court declines to award Defendants fees based on inequitable conduct, the Court still has discretion under § 285 to award Defendants fees based on other litigation misconduct that the Court finds to be “exceptional.”

The Court will not repeat the entirety of its previous summary judgment order. Suffice to say that by December 16, 2021, the day that Plaintiff Spota LLC licensed the ’664 patent to Insite Delaware, Plaintiffs knew that Defendants had previously requested production of any documents relating to ownership and licensing of the ’664 patent.<sup>29</sup> They knew that back in July 2019, their only responses to Defendants’ requests for production on ownership had been that there were “no responsive documents.”<sup>30</sup> Plaintiffs knew that there now were, in fact, responsive documents. Finally, Plaintiffs knew that under Fed. R. Civ. P. 26(e)(1)(A), they had a duty to supplement their prior discovery responses in a “timely manner.”

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29. Doc. 169-3 at PageID #: 6089.

30. *Id.*

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Instead, 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.

Indeed, the Fourth Amended Complaint, filed six months after the ownership and licensing transfers occurred, blatantly misrepresented that “Lowe is the owner of all rights, title, and interest in and to the ’664 patent. InSite is an exclusive licensee under the ’664 patent[ . . . ]. Lowe and InSite share rights of enforcement and recovery under the ’664 patent.”<sup>31</sup>

Plaintiffs argue that they did not “hide” Lowe’s sale of the patent to Spota LLC because the agreement was publicly available, as evidenced by the fact that Defendants eventually discovered it.<sup>32</sup>

To quote a fellow district court:

How absurd! The Federal Rules do not shield publicly available documents from discovery merely because of their accessibility. A limitation of this nature would lead to patently absurd consequences. Indeed, it would require litigants to scour the public domain for

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31. Doc. 127 at PageID #: 5259.

32. Doc. 220 at PageID #: 6992.

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nuggets of information [ . . . ]—a task that is as Herculean as it is nonsensical.<sup>33</sup>

And Plaintiffs' argument is particularly unconvincing considering Plaintiffs' explicit misrepresentations. Plaintiffs not only failed to disclose information that they had a duty to disclose, but actively misrepresented to Defendants and to the Court the '664 patent's status.

Finally, Plaintiffs argue that it should not have mattered whether they disclosed the ownership and licensing transfers because the transfers would have had no impact on the litigation had this Court not erroneously determined that Plaintiffs now lack standing.<sup>34</sup> In other words, Plaintiffs lament that the transfers would have been irrelevant if only the Court had not found them dispositive. But the transfers did prove dispositive, and Plaintiffs' failure to timely disclose those transfers prevented Defendants from moving for summary judgment sooner.

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

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33. *Shatsky v. Syrian Arab Republic*, 312 F.R.D. 219, 223-24 (D.D.C. 2015). *See also Martino v. Kiewit New Mexico Corp.*, 600 F. App'x 908, 911 (5th Cir. 2015) (“[E]ven if a document is publicly available or in the opposing party’s possession, a party must still disclose it under Rule 26(a)(1)(A) to provide notice of evidence central to its claims or defenses.”).

34. Doc. 220 at PageID #: 6993.

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Court finds that there is a direct “causal connection”<sup>35</sup> between Plaintiffs’ conduct and the fees and costs that Defendants incurred in litigating Plaintiffs’ patent claim from December 2021 onwards, and it will award those expenses to Defendants.

**D. The Court’s Inherent Power to Sanction**

The Court notes that its inherent power to craft sanctions also serves as an alternative basis to award Defendants the above patent litigation fees. The “assessment of attorney’s fees is undoubtedly within a court’s inherent power,” particularly “when a party has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.”<sup>36</sup> These inherent powers are not displaced by a statute’s sanctions scheme, and likewise “can be invoked even if procedural rules exist which sanction the same conduct.”<sup>37</sup>

**E. Fees for Defendants’ Motion to Seal**

Defendants ask for the fees and costs they incurred when they needed to seek the sealing of an expert report that they say Plaintiffs should have filed under seal in the first instance. At the time that Plaintiffs filed the report, there was no protective order in place. But the parties were subject to—and Defendants say Plaintiffs violated—

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35. *In re Rembrandt Techs. LP Pat. Litig.*, 899 F.3d 1254, 1280 (Fed. Cir. 2018).

36. *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45-46 (1991).

37. *Id.* at 46-48.

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the confidentiality-designation and disclosure provisions in this district's Local Patent Rule 2.2.

Ordinarily, Fed. R. Civ. P. 37(b) governs discovery sanctions. But Rule 37(b)(2)(C) only addresses awarding attorneys' fees when a party violates a "discovery order." The plain language of Rule 37 does not appear to encompass sanctions for violations of local discovery rules. Nevertheless, the Court's inherent power to craft sanctions "extends to a full range of litigation abuses," in part because that power exists to "fill in the interstices" that sanctions statutes and rules do not cover.<sup>38</sup> Thus, the Court will consider whether sanctions under that inherent power are merited here.

Local Patent Rule 2.2 instructs:

Pending 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." The discovery and disclosures so marked shall be used solely for purposes of the pending case and shall not be disclosed to the client or any other person.

Despite L.P.R. 2.2's restrictions on disclosure, Plaintiffs publicly filed an expert report that disclosed information Defendants had marked as Attorney's Eyes Only.<sup>39</sup>

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38. *Id.* at 46.

39. Doc. 218 at PageID #: 6911-6912.

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Plaintiffs argue that filing the report did not violate L.P.R. 2.2 because the information disclosed was already in the public domain. Plaintiffs are correct that some—but not all—of the information disclosed could be found in public records.<sup>40</sup>

But parties are not automatically free to disclose information marked confidential simply because that information can also be found in the public domain.<sup>41</sup> And the plain language of L.P.R. 2.2 makes no such exception.

So, the Court will award Defendants fees and costs arising from litigating Plaintiffs' disclosure.

**F. Reasonableness of Fee Awards**

Once a court determines that a party is entitled to a fee award, it must determine a reasonable amount to

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40. The Court agrees that a previous litigation had already disclosed certain of Defendant ShieldMark's royalty rate terms. But that earlier filing did not identify the specific licensee who had agreed to those rates. And, contrary to Plaintiffs' assertions, ShieldMark does not appear to have publicly disclosed its exact sales figures.

41. *See e.g., Doherty v. State Farm Gen. Ins. Co.*, 2020 WL 2510642, at \*4 (C.D. Cal. Mar. 4, 2020) (Defendant violated protective order because the order did not explicitly permit Defendant to disclose information marked Highly Confidential when that information "might be available in some form on the Internet.").

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award.<sup>42</sup> The court starts with a strong presumption that the proper amount is the “number of hours reasonably expended on the litigation multiplied by a reasonable hourly rate.”<sup>43</sup> But the “product of reasonable hours times a reasonable rate does not end the inquiry. There remain other considerations that may lead the district court to adjust the fee upward or downward,”<sup>44</sup> including the attorneys’ “customary fee[s]”; “the amount involved and the results obtained”; and “the experience, reputation, and ability of the attorneys.”<sup>45</sup>

Here, Defendants are entitled to reasonable fees and costs incurred in defending against Plaintiffs’ patent infringement claim from December 2021 onwards. Likewise, the Court awards Defendants the reasonable fees and costs incurred in seeking redress for Plaintiffs’ improper disclosures. So, the Court will examine whether Defendants’ requested amounts are based on a reasonable number of hours and reasonable rates.

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42. *Bldg. Serv. Loc. 47 Cleaning Contractors Pension Plan v. Grandview Raceway*, 46 F.3d 1392, 1401 (6th Cir. 1995).

43. *Id.*

44. *Hensley v. Eckerhart*, 461 U.S. 424, 434 (1983).

45. *Paschal v. Flagstar Bank*, 297 F.3d 431, 435 (6th Cir. 2002). *See id.* for additional factors generally considered.

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Based on the fee tables Defendants submitted, they seek:

1. \$213,765 for litigating Plaintiffs' patent infringement claim.<sup>46</sup>
2. \$4,750 for the disclosure issue.

The Court finds that Defendants have provided sufficient detail in their fee tables to establish reasonable hours. The entries identify specific tasks, specific people with whom Defendants' attorneys conferred (such as co-counsel) and their topics of conversation, etc.<sup>47</sup> Defendants have also removed from the tables time deemed duplicative and time spent on other claims, such as Plaintiffs' Lanham Act claim and Defendants' inequitable conduct counterclaim.

As to the reasonableness of Defendants' attorneys' rates, Defendants have submitted a report from the

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46. Defendants' fee tables only list patent litigation fees for May 2022, rather than December 2021, onwards. This is because in June 2021, this Court granted summary judgment for Defendants. Plaintiffs still had standing at that time, and they appealed the summary judgment decision. The case remained inactive at the district-court level until April 2022, when the Federal Circuit reversed that initial summary judgment decision and remanded the case to this Court.

47. *See, e.g.*, Doc. 218-1 at PageID #: 6932 (6/17/22 entry for 2.8 hours describing attorney's work reading court order, conferring with co-counsel by phone, reading and drafting emails, researching possible experts, etc.)



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American Intellectual Property Law Association to establish that their attorneys' \$400/hour rate is below the average for intellectual property lawyers in the Midwest with similar levels of experience.<sup>48</sup> Of the four lawyers claiming fees, one has 10 years of experience in intellectual property, while the other three each have between 23–29 years of experience.<sup>49</sup>

Looking at the report, Defendants correctly identify \$421/hour as the mean billing rate for IP lawyers in the Midwest across all experience levels.<sup>50</sup> But the median is only \$390.<sup>51</sup> On the other hand, if the Court looks at billing rates based on years of practice, the proposed \$400/hour rate is well below the national median (\$500) for attorneys with 25–34 years of experience, and nearly identical to the national median (\$398) for attorneys with 10–14 years of experience.<sup>52</sup> Reasonable billing rates in this case thus fall within a range from \$390–\$500. Accordingly, the Court finds Defendants' \$400/hour rate reasonable.

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48. *Id.* at PageID #: 6922, 6971. Defendants rely on the rates for the “Other Central” category, which provides rates for the Midwest excluding the Chicago and Minneapolis-St. Paul metro areas.

49. *Id.* at PageID #: 6922–25.

50. The Court uses the term Midwest here to refer to the “Other Central” category.

51. *Id.* at PageID #: 6971.

52. *Id.*

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Finally, Plaintiffs did not object to Defendants' proposed rates, and the only objection that they raised to the reasonableness of Defendants' hours calculation was that Defendants also protracted this action by staying it for over a year while the parties proceeded before the PTO's Patent Trial and Appeal Board.<sup>53</sup> Since Defendants have not sought to recover fees for those proceedings, the Court finds this objection beside the point.

### III. CONCLUSION

The Court **GRANTS IN PART** Defendants' motion as to fees and costs incurred after December 2021 for the patent litigation and for the motion to seal and **DENIES IN PART** Defendants' motion as to patent litigation fees incurred before December 2021. Defendants are awarded \$213,765 for litigating Plaintiffs' patent infringement claim and \$4,750 for fees and costs arising from Plaintiffs' violation of L.P.R. 2.2.<sup>54</sup>

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53. Doc. 220 at PageID #: 6998-7000.

54. Unrelatedly, the Court also **DENIES** as moot Plaintiffs' motion to strike Defendants' response to the Court's August 26, 2022 Opinion and Order. (Doc. 199). Plaintiffs moved to strike Defendants' response on the grounds that the Court's partial summary judgment order deprived it of jurisdiction to order Defendants to file a response. This argument was rejected by the Federal Circuit when it dismissed Plaintiffs' appeal. (*See* Doc. 212). As previously stated above, the Court also **DENIES** as moot Plaintiffs' recent motion to clarify. (Doc. 223).

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IT IS SO ORDERED.

Dated: April 21, 2023

s/ James S. Gwin  
JAMES S. GWIN  
UNITED STATES  
DISTRICT JUDGE

**APPENDIX F — OPINION & ORDER OF UNITED  
STATES DISTRICT COURT FOR THE NORTHERN  
DISTRICT OF OHIO, FILED AUGUST 23, 2022**

UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OHIO

Case No. 1:19-cv-748

CLIFFORD A. LOWE, *et al.*,

*Plaintiffs,*

v.

SHIELDMARK, INC., *et al.*,

*Defendants.*

**OPINION & ORDER**

Filed August 23, 2022

JAMES S. GWIN, *United States District Judge:*

With this opinion, the Court primarily considers whether Plaintiffs Clifford Lowe and InSite Solutions, LLC (“Insite North Carolina”) continue to have standing for this patent infringement lawsuit.

When Plaintiffs first brought this case, Lowe owned the relevant patent and InSite North Carolina owned

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an exclusive license. But in December 2021, and while Plaintiffs’ appeal was pending before the U.S. Court of Appeals for the Federal Circuit, Lowe sold his patent ownership to InSite North Carolina. Then, a week later, InSite North Carolina gave InSite Delaware—not a party in this case—a paid-up, permanent, and irrevocable, but non-exclusive, license.

InSite North Carolina’s license to InSite Delaware made no restrictions on InSite Delaware’s ability to sublicense the patent. While acknowledging that Lowe had earlier given InSite North Carolina all patent rights, Lowe alleges that InSite North Carolina granted Plaintiff Lowe a right to continue this litigation.

Because the Court finds that Plaintiffs Lowe and InSite Solutions, LLC (“InSite North Carolina”) do not have this patent’s exclusionary rights, they lack standing to continue this three-year-old patent infringement case, and the Court **DISMISSES** this action for lack of subject matter jurisdiction.

For alternative dismissal grounds, the Court **GRANTS** Defendants’ patent invalidity summary judgment motion.<sup>1</sup>

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1. *Cf. Golden Eye Media USA, Inc. v. Evo Lifestyle Prod. Ltd.*, No. 2021-2096, 2022 WL 2232517, at \*3 (Fed. Cir. June 22, 2022) (addressing additional argument “in the interest of thoroughness” and because court was “not the court of last resort”). However, in light of the Court’s conclusion that Plaintiffs lack standing, the Court declines to address the Lanham Act summary judgment issue in this opinion.

*Appendix F***I. Background**

The Plaintiffs and Defendants compete in the industrial floor marking tape field. This case began in 2019, when Plaintiffs Lowe and InSite North Carolina sued Defendants ShieldMark, Inc., Advanced Plastics, Inc., and Crown Equipment Corporation. Plaintiffs alleged the infringement of Patent No. 10,214,664 (“’664 Patent”). Defendants counterclaimed that the ’664 Patent is invalid. Defendants denied any infringement.

After issuing a *Markman* decision, this Court gave Defendants summary judgment after the Court construed the ’664 Patent as including elements that both sides acknowledged were not present in the alleged infringing products. Plaintiffs disagreed with the Court’s *Markman* construction of the ’664 Patent and took an appeal.

On appeal, the U.S. Court of Appeals for the Federal Circuit disagreed with this Court’s *Markman* construction.<sup>2</sup> The Federal Circuit found this Court’s patent interpretation incorrectly used the ’664 Patent’s specifications to put limits on the broader ’664 Patent’s claims. The Court of Appeals then vacated in part, remanded in part and affirmed in part this Court’s earlier rulings.<sup>3</sup>

Shortly after the Federal Circuit mandate issued, Plaintiffs filed a Fourth Amended Complaint<sup>4</sup> that

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2. Doc. 110.

3. Doc. 110.

4. Doc. 127.

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re-alleged an earlier-made Lanham Act claim that Plaintiffs had voluntarily dismissed before taking the appeal.<sup>5</sup>

On remand, the Court ordered supplemental summary judgement briefing on Defendants' unresolved patent invalidity counterclaim.

While that briefing was in progress, Defendants found that Plaintiff Lowe had arguably sold the '664 Patent. Defendants argued that the Court should dismiss this action because of a change in the '664 Patent's ownership.<sup>6</sup>

During earlier discovery, Defendants had requested discovery of all '664 Patent ownership materials.<sup>7</sup> Despite its Rule 26 obligation to update discovery, Plaintiffs had not provided any amended discovery responses describing Lowe's ownership sale.<sup>8</sup> The Court then ordered Plaintiffs to produce relevant ownership documents.<sup>9</sup>

In addition, although the documents revealed that there was a change in the '664 Patent's ownership while Plaintiffs' appeal was pending before the Federal Circuit, Plaintiffs did not tell the Federal Circuit that there was an ownership change.

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5. Doc. 126.

6. Doc. 150.

7. Doc. 169 at 11.

8. *Id.*

9. Doc. 159.

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Now that the parties completed supplemental invalidity and standing briefing and the Court conducted oral argument,<sup>10</sup> the Court resolves these issues below.

**II. Article III Standing**

Patents include various rights that can be divided and assigned, or retained in whole or part.<sup>11</sup> As the inventor, Lowe initially held all the rights but he alienated some or more of them through transfers, assignments, and licenses. However, “[w]hile parties are free to assign some or all patent rights as they see fit based on their interests and objectives, this does not mean that the chosen method of division will satisfy standing requirements.”<sup>12</sup>

In a patent infringement lawsuit, “[t]he touchstone of constitutional standing [ . . . ] 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.”<sup>13</sup> 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.”<sup>14</sup>

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10. The Court conducted video oral argument on August 15, 2022.

11. *See Morrow v. Microsoft Corp.*, 499 F.3d 1332, 1341 n.8 (Fed. Cir. 2007).

12. *Id.*

13. *WiAV Sols. LLC v. Motorola, Inc.*, 631 F.3d 1257, 1265 (Fed. Cir. 2010).

14. *Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.*, 925 F.3d 1225, 1234 (Fed. Cir. 2019) (internal citations omitted).



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The right to exclude needs be measured for each defendant.<sup>15</sup> A plaintiff may have standing to sue some infringers but not others. If the accused infringer has or may obtain a license from a third party, the patent infringement plaintiff does not have exclusionary rights against that infringer, and does not have standing to sue that arguable infringer.<sup>16</sup>

The issue presented here is properly described as mootness: “[t]he question of whether the [c]ourt loses jurisdiction over a case where a plaintiff has standing at the outset.”<sup>17</sup> Additionally, under Supreme Court precedent, “[t]he party invoking federal jurisdiction bears the burden of establishing [standing].”<sup>18</sup>

**A. Factual Background****i. Fourth Amended Complaint**

On June 6, 2022, Plaintiffs Lowe and InSite North Carolina filed the Fourth Amended Complaint.<sup>19</sup> In that complaint, Plaintiffs alleged:

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15. *See WiAV Sols. LLC*, 631 F.3d at 1267.

16. *See Alfred E. Mann Found. For Sci. Rsch. v. Cochlear Corp.*, 604 F.3d 1354, 1361 (Fed. Cir. 2010) (citing *Speedplay, Inc. v. Bebop, Inc.*, 211 F.3d 1245, 1251 (Fed. Cir. 2000)).

17. *Pi-Net Int’l, Inc. v. Focus Bus. Bank*, 2015 WL 1538259, at \*2 (N.D. Cal. Apr. 6, 2015).

18. *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 561 (1992).

19. *See* Doc. 126.

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Lowe is the owner of all rights, title, and interest in and to the '664 Patent. [InSite North Carolina] is an exclusive licensee under the '664 Patent engaged in the manufacture, distribution and sales of floor marking tape pursuant to its license and under the name "Superior Mark." Lowe and [InSite North Carolina] share rights of enforcement and recovery under the '664 Patent.<sup>20</sup>

Plaintiffs now acknowledge that the Fourth Amended Complaint does not accurately reflect the June 6, 2022, patent-in-suit ownership.<sup>21</sup>

The Court describes the recently disclosed patent ownership documents below.

**ii. The Patent Rights Assignment (Lowe to InSite North Carolina)**

On December 9, 2021, Lowe signed a contract with InSite North Carolina.<sup>22</sup> In that contract, Lowe "[sold], assign[ed], convey[ed] and transfer[red]" to InSite North Carolina his "*entire right, title, and interest*" in the '664 Patent.<sup>23</sup> Lowe also convey[ed] all of [his] rights arising under [ . . . ] any [ . . . ] United States laws [ . . . ], "*including*

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20. Doc. 127 at 3.

21. Doc. 176 at 12.

22. Doc. 169-1.

23. *Id.* at PageID #: 6065.

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*but not limited to any cause(s) of action and damages accruing prior to this assignment.”<sup>24</sup>*

**iii. The Patent License Agreement (InSite North Carolina to InSite Delaware)**

One week later, on December 16, 2021, InSite North Carolina entered into a license agreement with InSite Solutions, LLC of Delaware (“InSite Delaware”).<sup>25</sup> InSite Delaware has never entered an appearance as a party in this case.

With the December 16, 2021 agreement, InSite North Carolina gave InSite Delaware:

*[A] worldwide, non-exclusive, fully transferable, fully sublicensable (through multiple tiers), royalty-free, fully paid-up, perpetual, irrevocable, and non-terminable license under [’664 Patent] to practice any methods or systems described in or claimed by the [’664 Patent], and to make, have made, use, sell, and otherwise distribute, offer to sell, or import and export any technology, products or services described in or claimed, in whole or in part, by the [’664 Patent].<sup>26</sup>*

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24. *Id.* (emphasis added).

25. Doc. 169-2.

26. *Id.* at PageID # 6071 (Section 2.1) (emphasis added).

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InSite North Carolina also granted to InSite Delaware an “exclusive option” to purchase the ’664 Patent for no additional cost.<sup>27</sup> If InSite Delaware exercises the option, InSite North Carolina agreed to give InSite Delaware “all causes of action (whether known or unknown or whether currently pending, filed, or otherwise).”<sup>28</sup>

Also in the December 16, 2021 agreement between InSight North Carolina and InSight Delaware, InSite Delaware “acknowledges and agrees that Lowe [ . . . ] and [InSite North Carolina] retain the exclusive rights to elect to maintain, control, and settle [this litigation]. Lowe and [InSite North Carolina] also retain the exclusive rights to enforce the [’664 Patent] for recovery of damages for infringement prior to [December 16, 2021].”<sup>29</sup>

**iv. InSite North Carolina’s Alleged Exclusive License to Lowe**

According to Plaintiffs’ brief, InSite North Carolina “granted Lowe the exclusive right to continue to assert infringement against alleged infringers of the ’664 Patent during his [InSight North Carolina’s] ownership of the ’664 Patent, expressly including against ShieldMark.”<sup>30</sup> Plaintiffs say that the InSite North Carolina-InSite

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27. *Id.* (Section 2.2).

28. *Id.*

29. *Id.* (Section 2.3).

30. Doc. 176 at 7.

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Delaware agreement gives evidence of this license.<sup>31</sup> Although Plaintiffs do not cite a specific provision, they presumably refer to the above-described section regarding the right to control this action. They also say that the license agreement was not in writing.<sup>32</sup> They do not affirmatively state that there was an oral agreement.

**B. Analysis****i. Plaintiff Lowe**

Plaintiff Lowe no longer has standing for this lawsuit. In the Lowe-InSite North Carolina agreement, Lowe gave up his entire interest in the '664 Patent, including all causes of action. The Court finds Lowe's arguments that he re-gained his ability to pursue this lawsuit unpersuasive. And, even if InSite North Carolina could transfer InSite North Carolina's right to sue Defendants, the transfer would not give Lowe standing because InSite North Carolina had given Insite Delaware an unfettered ability to destroy InSite North Carolina's ability to exclude.

First, the Court finds that Lowe has not met his burden in proving that he is an exclusive licensee of the '664 Patent.<sup>33</sup> Although Lowe correctly notes that a

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31. *Id.*

32. *Id.*

33. *Cf. W. Elec. Co. v. Pacent Reproducer Corp.*, 42 F.2d 116, 119 (2d Cir. 1930) (exclusive license agreement as including "the promise that the grantor will give no further licenses.").

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license agreement need not be in writing,<sup>34</sup> Lowe has not presented adequate evidence that an exclusive license agreement exists.<sup>35</sup> He does not even affirmatively allege there was an oral exclusive license agreement. Lowe says that the InSite North Carolina-InSite Delaware agreement references Lowe's exclusive license, but it only references Lowe's purported ability to control this litigation, which is different from an exclusive license.

Additionally, the Court notes that InSite North Carolina's December 16, 2021 *non-exclusive license* grant to InSite Delaware would conflict with InSite Delaware's alleged earlier grant of an *exclusive license* to Lowe. This supports the Court's finding that Lowe's exclusive license agreement does not exist or Plaintiffs' failed to sufficiently establish it to meet their burden here.<sup>36</sup>

Second and more importantly, to the extent that Lowe maintained any right to continue this litigation, the right to sue—on its own—is not enough to satisfy the constitutional standing requirement. In *Morrow*

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34. *Waymark Corp. v. Porta Sys. Corp.*, 334 F.3d 1358, 1364 (Fed. Cir. 2003).

35. *Cf. Visioneer, Inc. v. KeyScan, Inc.*, 626 F. Supp. 2d 1018, 1025 (N.D. Cal. 2009) (finding insufficient evidence that license existed).

36. Because Lowe explicitly conveyed “any cause(s) of action,” Doc. 169-1 at PageID # 6065, this case is distinguishable from *MTS Sys. Corp. v. Hysitron, Inc.*, 2008 WL 11463565, at \*2 (D. Minn. Dec. 1, 2008)).

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*v. Microsoft Corp.*,<sup>37</sup> the Federal Circuit found that a plaintiff with a claimed “right to sue infringers” did not have standing when a different entity owned the patent and owned the “right to sell the patent, grant exclusive and nonexclusive licenses, grant the right to sublicense, or transfer any of the rights.”<sup>38</sup>

Lowe sits in the same position as the *Microsoft* General Unsecured Creditors’ Liquidating Trust (“GUCLT”). In *Microsoft*, the GUCLT had received “claims for . . . infringement of [the predecessor’s] intellectual property rights.” As in *Microsoft*, a party loses standing where “the exclusionary rights have been separated from the right to sue for infringement.”<sup>39</sup> Since Lowe has kept no exclusionary rights in the ’664 Patent, even if he did keep the right to prosecute this action, he does not have standing.

**ii. Plaintiff InSite North Carolina**

Since InSite North Carolina retained legal title to the ’664 Patent, the question here is “whether the patent owner transferred away sufficient rights to divest it of any right to sue.”<sup>40</sup>

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37. 499 F.3d 1332 (Fed. Cir. 2007).

38. *Id.* at 1342.

39. *Id.*

40. *Alfred E. Mann Found. For Sci. Rsch. v. Cochlear Corp.*, 604 F.3d 1354, 1359 (Fed. Cir. 2010).

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As described in *Alfred E. Mann Found. for Sci. Rsch. v. Cochlear Corp.*,<sup>41</sup> patent owners can give certain license rights away while keeping others. The *Mann* Court looked to an earlier Federal Circuit case establishing that when a patent owner gives up “all substantial rights” to an exclusive licensee, “the licensee becomes the owner of the patent for standing purposes and gains the right to sue on its own.”<sup>42</sup> In that scenario, only the licensee has standing to sue; “the licensor may not.”<sup>43</sup>

To determine whether the “licensor has transferred away sufficient rights to render an exclusive licensee the owner of a patent,” the *Mann* court gave a list of non-exhaustive factors that courts should consider. The Court wrote:

Of course, transfer of the exclusive right to make, use, and sell products or services under the patent is vitally important to an assignment. [ . . . ]. We have also examined the scope of the licensee’s right to sublicense, the nature of license provisions regarding the reversion of rights to the licensor following breaches of the license agreement, the right of the licensor to receive a portion of the recovery in infringement suits brought by the licensee, the duration of the license rights granted to the licensee, the

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41. 604 F.3d 1354 (Fed. Cir. 2010).

42. *Id.* at 1359–60 (discussing *Aspex Eyewear, Inc. v. Miracle Optics, Inc.*, 434 F.3d 1336 (Fed. Cir. 2006)).

43. *Id.* at 1360.



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ability of the licensor to supervise and control the licensee's activities, the obligation of the licensor to continue paying patent maintenance fees, and the nature of any limits on the licensee's right to assign its interests in the patent. [ . . . ]. Frequently, though, the nature and scope of the exclusive licensee's purported right to bring suit, together with the nature and scope of any right to sue purportedly retained by the licensor, is the most important consideration. [ . . . ]. It does not, however, preclude such a finding if the licensor's right to sue is rendered illusory by the licensee's ability to settle licensor-initiated litigation by granting royalty-free sublicenses to the accused infringers.<sup>44</sup>

Even though the *Mann* court was considering a situation in which a patent owner gives an exclusive license, unlike the non-exclusive license InSite North Carolina gave to InSite Delaware, the same logic applies. Here, the Court's determination (as discussed below) is that InSite North Carolina transferred "all substantial rights" to InSite Delaware.<sup>45</sup> And although InSite Delaware is positioned as the "owner" for standing purposes, InSite

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44. *Id.* at 1360–1361.

45. *Cf. Uniloc 2017 LLC v. Google LLC*, 508 F. Supp. 3d 556, 565 (N.D. Cal. 2020) (quoting *Mann*, 604 F.3d at 1359) ("The determination of a 'patentee' is an all-or-nothing proposition: a patent has only one 'patentee' at a given time and cannot have 'multiple separate owners.'").

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Delaware cannot sue because InSite Delaware holds only a non-exclusive license.

The Court finds that InSite Delaware would not have standing to sue after considering the factors described in the *Mann* decision.

To start, although InSite North Carolina or Lowe may control this litigation, that right is illusory since InSite North Carolina did not keep any authority over InSite Delaware's right to issue sublicenses. Multiple conditions of the InSite North Carolina-InSite Delaware agreement show that InSite Delaware could sublicense without restriction. Nothing in the agreement limits InSite Delaware's grant of sublicenses. And nothing limits InSite Delaware's ability to grant a license to Defendants.<sup>46</sup> Rather, InSite's Delaware sublicense is "fully transferable, fully sublicensable [ . . . ], perpetual, irrevocable, and non-terminable."<sup>47</sup>

Furthermore, the InSite North Carolina-InSite Delaware agreement says that: "[InSite North Carolina] retain[s] the exclusive rights to enforce [the '664 Patent] for recovery of damages for infringement *prior* to [December 16, 2021]."<sup>48</sup> By implication, this contract provision means that InSite North Carolina gave up its patent enforcement rights *after* December 16, 2021.

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46. *Cf. Uniloc 2017 LLC*, 508 F. Supp. 3d at 568 (determining that non-party's ability to sublicense to defendants defeated standing).

47. Doc. 169-2 at 2 (Section 2.1).

48. Doc. 169-2 at 3 (Section 2.3) (emphasis added).

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Lastly, the InSite North Carolina—InSite Delaware agreement gives InSite Delaware a paid-up license with no future financial obligations to InSite North Carolina. The unrecallable InSite Delaware license also goes against InSite North Carolina’s continued standing. The license is “royalty-free” and “fully-paid up.”<sup>49</sup> The agreement also provides InSite Delaware a no-cost option to purchase title to the ’664 Patent, upon which “all causes of action” would transfer to InSite Delaware.<sup>50</sup>

**C. Dismissal with Prejudice**

The Federal Circuit has held that “dismissal with prejudice is generally inappropriate where the standing defect can be cured.”<sup>51</sup> But here, the Court finds that both Plaintiffs lack standing—and pleading different facts will not change that result. This Court’s ruling flows from the Court’s analysis of the underlying patent ownership documents. And because InSite Delaware is third-party nonexclusive licensee, any amendment to include InSite Delaware would not cure the standing defect.<sup>52</sup> Accordingly, the Court dismisses this case with prejudice.

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49. Doc. 169-2 at 2 (Section 2.1).

50. *Id.* at 2–3 (Section 2.2).

51. *Sicom Sys., Ltd. v. Agilent Techs., Inc.*, 427 F.3d 971, 980 (Fed. Cir. 2005); *see also Great Lakes Intell. Prop. Ltd. v. Sakar Int’l, Inc.*, 516 F. Supp. 2d 880, 893 (W.D. Mich. 2007).

52. *Cf. id.* at 976 (citing *Rite-Hite Corp. v. Kelley Co., Inc.*, 56 F.3d 1538, 1552 (Fed. Cir. 1995)) (“A nonexclusive license confers no constitutional standing on the licensee to bring suit or even to join a suit with the patentee because a nonexclusive licensee suffers no legal injury from infringement.”).

*Appendix F***III. Invalidity**

In the alternative, the Court would grant summary judgment to Defendants on the grounds that the '664 Patent is invalid as anticipated by U.S. Patent 6,120,395 ("Dorenbusch").

**A. '664 Patent Construction**

The Federal Circuit explained and construed the '664 Patent as follows:

[The] '664 Patent is directed to an improved floor marking tape. The specification explains that existing tape was "prone to being caught on floor cleaning devices or skids." '664 Patent, col. 1 ll. 28–30. The patented invention purports to solve that problem by disclosing tape with features that prevent it from "unintentional lifting and delamination" from the floor. *Id.* Abstract. The "[t]ape 10 generally includes a body 20 having an upper surface 22 and a lower surface 24." *Id.* col. 2 ll. 19–24. The body has a "pair of lateral edges" that are "smoothly beveled," thus "prevent[ing] tape 10 from being unintentionally lifted." *Id.* col. 1 ll. 42–43; col. 2 ll. 23–27.

[ . . . ]

Claims 1 and 11 are the only independent claims. Claim 1 reads as follows:

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

a floor having an uppermost surface; the uppermost surface of the floor configured to support personnel and equipment thereupon;

a floor marking tape having a body that has an upper surface and a lower surface; the lower surface facing the uppermost surface of the floor to which the floor marking tape is adhered such that the body of the floor marking tape is disposed above the uppermost surface of the floor;

the body of the floor marking tape having a longitudinal direction;

the body of the floor marking tape having first and second ***lateral edge portions*** disposed in the longitudinal direction; each of the first and second ***lateral edge portions*** having an upper surface and a lower surface;

each of the first and second ***lateral edge portions*** having a width defined in a direction perpendicular to the longitudinal direction;

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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***;

each of the first and second ***lateral edge portions*** having a maximum height that is less than its width; and

an adhesive securing the lower surface of the body to the uppermost surface of the floor to establish a boundary.

*Id.* col. 5 ll. 2–36 (emphases added).

Claim 11 similarly recites a “a floor marking tape adhered to a floor” with a “body” and tapered “***lateral edge portions***.” *Id.* col. 6 ll. 1–36 (emphasis added).

Claims 10 and 20 depend from claims 1 and 11, respectively. They each recite that the tape

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has “a ***central body portion*** disposed between the first and second lateral edge portions.” *Id.* col. 5 ll. 61–67 (emphasis added); col. 6 ll. 61–67 (emphasis added).

All of the remaining asserted claims depend from one of the above noted independent claims.<sup>53</sup>

The Federal Circuit “adopt[ed] Lowe’s construction” of three disputed claim terms.<sup>54</sup> Accordingly, this Court construes these claim terms consistent with the Federal Circuit construction:

- ***Lateral edge portion*** to mean “a portion of the tapered edges of the tape body[;]”<sup>55</sup>
- ***Lower surface of each lateral edge portion being a flat coplanar extension of the lower surface of the body*** to mean “the bottom surfaces of the lateral edge portions are flat, lie in the same plane, and define an extension of the lower surface of the body[;]”<sup>56</sup> and
- ***Central body portion*** to mean the “portion of the tape that extends along and on each side of the body’s centerline.”<sup>57</sup>

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53. Doc. 110 at 3–5.

54. *Id.* at 16.

55. *Id.* at 11.

56. *Id.* at 14.

57. *Id.* at 16.

*Appendix F***B. Legal Standard**

A court will grant a motion for summary judgment “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.”<sup>58</sup> There is a genuine dispute as to a material fact when the “evidence is such that a reasonable jury could return a verdict for the nonmoving party.”<sup>59</sup>

Patents are presumed valid.<sup>60</sup> This presumption can only be overcome by clear and convincing evidence.<sup>61</sup> “Thus, a moving party seeking to invalidate a patent at summary judgment must submit such clear and convincing evidence of invalidity so that no reasonable jury could find otherwise.”<sup>62</sup>

**C. Anticipation**

Under Federal Circuit precedent, “[a] patent is invalid for anticipation if a single prior art reference discloses each and every limitation of the claimed invention.”<sup>63</sup>

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58. Fed. R. Civ. P. 56(a).

59. *Peffer v. Stephens*, 880 F.3d 256, 262 (6th Cir. 2018) (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)).

60. *See* 35 U.S.C. § 282(a).

61. *Eli Lilly & Co. v. Barr Laboratories, Inc.*, 251 F.3d 955, 962 (Fed. Cir. 2001).

62. *Id.*

63. *Schering Corp. v. Geneva Pharm.*, 339 F.3d 1373, 1377 (Fed. Cir. 2003); *see also Encyclopaedia Britannica, Inc. v. Alpine Elecs. of Am., Inc.*, 609 F.3d 1345, 1349 (Fed. Cir. 2010) (“While anticipation



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“[A] prior art reference may anticipate without disclosing a feature of the claimed invention if that missing characteristic is necessarily present, or inherent, in the single anticipating reference.”<sup>64</sup> For prior art to anticipate a claim, “it must be sufficient to enable one with ordinary skill in the art to practice the invention.”<sup>65</sup> And, Federal Circuit decisions acknowledge that a prior art reference need not use the same language as a patent claim.<sup>66</sup>

**D. Dorenbusch**

Dorenbusch concerns a temporary spot marker used on a floor surface like a basketball court.<sup>67</sup>

Dorenbusch purports to solve the problem of players tripping on the tape,<sup>68</sup> and accordingly, specifies that the makers have specific edges:

To further aid in making the sport marker non-interfering, all peripheral edges are beveled downwardly to present a gently rising edge

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is a question of fact, it may be decided on summary judgment if the record reveals no genuine dispute of material fact.”).

64. *Id.*

65. *Minn. Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1301 (Fed. Cir. 2002).

66. *See, e.g., In re Gleave*, 560 F.3d 1331, 1334 (Fed. Cir. 2009).

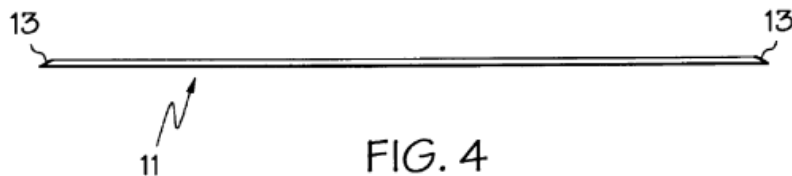
67. Doc. 77-2. col 1:11–28.

68. *Id.* col 2: 54–56.

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area. Preferably, the peripheral edges are angled downwardly towards the floor to create an about 30 degree to about 60 degree angles to the horizontal.<sup>69</sup>

The Dorenbusch marker is depicted in the below Figure 4, which is “a side elevational view” of the Dorenbusch marker.<sup>70</sup>



Additionally, Dorenbusch discusses using an adhesive on the underside of the marking tape but does not require an adhesive bottom surface. Dorenbusch teaches that: “[A] thin layer of adhesive can be applied to the underside of each spot marker.”<sup>71</sup>

And, the Dorenbusch claim 1 reads:

[E]ach said individual spot marker further having (i) a substantially flat low profile with a thickness of from about 100 mils to about 300

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69. *Id.* col. 2:60–65.

70. *Id.* col. 2:3–4. Figure 6 similarly depicts the side-view of a differently shaped marker. *See id.* at col. 2:7–8.

71. *Id.* col. 3:15–16.

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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 storage.<sup>72</sup>

**E. Analysis**

Defendants argue that Dorenbusch anticipates the at-issue '664 Patent claims. In a chart, Defendants allege that every element of the asserted claims is found in Dorenbusch.<sup>73</sup>

Both in the initial<sup>74</sup> and post-remand summary judgment briefing,<sup>75</sup> the only '664 Patent claim element Plaintiffs contend that Dorenbusch does not teach is: “the upper surface of each ***lateral edge portion*** [comprises] an extension of the upper surface of the body.”<sup>76</sup> Plaintiffs say this is evident from Dorenbusch Figure 4 (reproduced above), which shows that “the edges 13 are sharply cut

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72. *Id.* col. 4:7–16. Claims 7 and 11 both include the same claim elements.

73. Doc. 135-1.

74. Doc. 80 at PageID # 4121–4122.

75. Doc. 155 at PageID # 5906–07.

76. This element is in both independent claims 1 and 11.

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and are separate and distinct from the top surface of the marker, rather than being an extension of the top surface as required by the claims of the '664 Patent.”<sup>77</sup> Plaintiff Lowe provides a declaration that offers the same observations based on Figure 4.<sup>78</sup> Plaintiffs argue that this is an important functional difference because the '664 Patent’s “smooth transition at the edge” keeps a tape in place when heavy industrial equipment is dragged over it.”<sup>79</sup>

The Court finds Plaintiffs’ argument unpersuasive. Even accepting Plaintiffs’ construction of the claim that “the upper surface of each lateral edge portion [comprises] an extension of the upper surface of the body,” to mean that “the upper surface of each ***lateral edge portion*** is an extension of the upper surface of the body which is tapered such as to extend to the lower surface of the first lateral edge portion,”<sup>80</sup> the Dorenbusch patent teaches the edge portion by clear and convincing evidence.

Put simply, nothing in Dorenbusch suggests that there are “four separate and distinct surfaces.” To the contrary, Dorenbusch teaches that “all peripheral edges are beveled downwardly to present a *gently rising edge*

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77. Doc. 80 at PageID # 4121; Doc. 155 at PageID # 5906.

78. Doc. 80-10 at PageID # 4163 ¶ 7.

79. Doc. 155 at PageID # 5906.

80. *Id.*

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*area.*”<sup>81</sup> In this context, the phrase “beveled downwardly” is synonymous with the Federal Circuit’s construction of ***lateral edge portion***, meaning “the tapered edges of the tape body”—or even more simply, an edge that gets thinner as it approaches the floor.

Further, Plaintiffs’ interpretation of Dorenbusch would require that the lateral edges be angled at roughly 90 degrees since Plaintiffs say Dorenbusch’s edges are “sharply cut” and comprise a “distinct surface[ ].” However, this argument disregards Dorenbusch’s specification and claim language. Dorenbusch says, “the peripheral edges are angled downwardly towards the floor to create an about 30 degree to about 60 degree angle to the horizontal.”<sup>82</sup> Dorenbusch also adds that “all peripheral edges are beveled downwardly to present a *gently rising edge area*.”<sup>83</sup> Plaintiffs provided no argument related to these Dorenbusch aspects.

It is true that Dorenbusch Figure 4 (reproduced above) does not depict the sloped ’664 edge that is depicted below in ’664 Patent Figures 1, 2 and 3.<sup>84</sup>

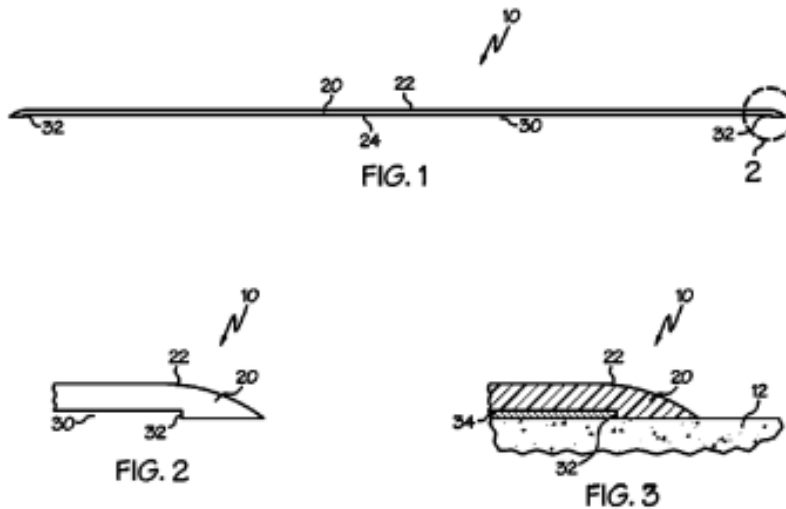
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81. Doc. 77-2. col. 2:61–62 (emphasis added).

82. *Id.* col. 2:63–65.

83. *Id.* col. 2:62 (emphasis added).

84. Doc. 44-1. figs. 1–3.

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But Dorenbusch Figure 4 does not depict a sharp slope as Plaintiffs allege; rather, the drawing does not zoom in on the edge portion.

Finally, Plaintiffs say that Dorenbusch is not prior art because of the different intended uses of the Dorenbusch markers and the '664 Patent floor tape. In particular, Plaintiffs point out that the Dorenbusch system is meant to be easily lifted after being used,<sup>85</sup> while the '664 specification describes a tape that is less easily rearrangeable.<sup>86</sup> But this argument distracts from the proper anticipation inquiry, which turns on whether Dorenbusch discloses the claim elements and whether a person skilled in the art would infer the '664 Patent from

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85. Doc. 77-2, col. 1:29-34.

86. Doc. 155 at PageID #: 5907 (citing Doc. 44-1, Abstract).

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Dorenbusch. And on that matter, the Court finds that Dorenbusch and the '664 Patent have similar intended uses: A marking that does not slip when in use but is nonetheless not permanent. The '664 Patent teaches a tape that is meant to avoid “unintentional lifting;”<sup>87</sup> this suggests that the '664 Patent tape may be lifted intentionally.

**IV. Other Summary Judgment Issues and Sanctions**

Having determined that Plaintiffs lack standing and that the '664 Patent is invalid based on Dorenbusch, the Court declines to address the remaining issues on summary judgment in this opinion. The Court also declines to impose sanctions on Plaintiffs at this time, but Defendants may later renew their motions.

**V. Conclusion**

The Court **DISMISSES** this action for lack of subject matter jurisdiction with prejudice. In the alternative, the Court **GRANTS** Defendants' patent invalidity summary judgment motion.

IT IS SO ORDERED.

Dated: August 23, 2022

/s/ James S. Gwin  
JAMES S. GWIN  
UNITED STATES  
DISTRICT JUDGE

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87. Doc. 44-1. Abstract.

**APPENDIX G — PAGEID# 5350 FROM  
DEFENDANTS BRIEF IN RESPONSE TO  
THE COURT’S MAY 31, 2022 ORDER,  
FILED JUNE 14, 2022**

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

Case No. 1:19CV00748

CLIFFORD A. LOWE, *et al.*,

*Plaintiffs,*

vs.

SHIELDMARK, INC., *et al.*,

*Defendants.*

Filed June 14, 2022

**DEFENDANTS’ BRIEF IN RESPONSE  
TO THE COURT’S MAY 31, 2022 ORDER**

JUDGE JAMES S. GWIN

**I. Introduction**

The Opinion and Order dated May 31, 2022 (Doc. 121) directed the parties to provide the Court with supplemental briefing regarding the ’664 patent invalidity arguments raised in Defendants’ motion for summary



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judgment. The Court directed the parties to address five specific topics. Defendants do not consider the Opinion and Order to authorize a reopening of the motion for summary judgment, which the parties have conceded is fully briefed and ripe for decision, but instead to address succinctly the five topics which the Court has delineated.<sup>1</sup>

**II. The Federal Circuit’s constructions of “lateral edge portion,” “coplanar extension” and “central body” have no impact on Defendants’ invalidity arguments.**

From the outset of this case, Defendants’ have argued: At most, Lowe’s patented invention is a floor marking tape with beveled edges and a recess on the bottom. To the extent the Lowe patent claims are construed to read on Mighty Line® tape, which indisputably has a flat bottom, they are necessarily invalid because they also read on prior art DuraStripe tape, which had the same design as Mighty Line tape. Independently, the Lowe patent claims are invalid because the claims also read on the prior art Dorenbusch patent. See Doc #13, at PageID #123-29. That is, Plaintiffs cannot have it both ways – if Mighty Line infringes the Lowe patent, the Lowe patent is invalid.<sup>2</sup>

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1. Defendants have a separate request for summary judgment with respect to Plaintiff Insite Solutions’ false advertising claim (see Doc. #95, at PageID # 4657-4660), which is also fully briefed, but is not identified as a topic in the Court’s May 31, 2022 Opinion and Order.

2. Relatedly, Plaintiffs have asserted from the outset of this case that the Lowe patent should not have been granted because Lowe intentionally withheld information and misled the PTO

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The Federal Circuit’s claim construction has no impact on Defendants’ invalidity arguments that the Lowe patent is invalid as anticipated by the DuraStripe and Dorenbusch prior art. For purposes of their motion for summary judgment, Defendants applied Plaintiffs’ proposed constructions of the “lateral edge portion,” “coplanar extension,” and “central body portion” terms, which the Federal Circuit ultimately adopted.

For example, in their summary judgment motion, Defendants asserted that

assuming for the sake of argument that Mighty Line® was found to infringe any claim of the Lowe Patent [which would require the application of Plaintiffs’ proposed constructions] that claim would be invalid because the prior art DuraStripe tape has the same design and configuration as Mighty Line® and, thus, DuraStripe would invalidate that patent claim under . . . 35 U.S.C. § 102(b). The same is true for the Dorenbusch prior art patent.

(Doc #77, at PageID #3264).

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about DuraStripe tape during prosecution of the Lowe patent. If Lowe had not withheld information and misled the PTO about DuraStripe, the PTO would not have allowed the Lowe patent claims because they read on DuraStripe. *Id.* at Page ID #131-33. Defendants did not request summary judgment of inequitable conduct, but if this case proceeds beyond summary judgment, Defendants intend to pursue the claim at trial.

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In their opening summary judgment brief, Defendants argued that if Plaintiffs' proposed constructions of the Lowe patent claims are applied such that the claims read on the Mighty Line® tape, the claims are invalid as anticipated by DuraStripe, and went on to explain how the claims as construed by Plaintiffs read on DuraStripe. Doc #77-1, at PageID #3287-89. Defendants did the same thing with respect to Dorenbusch. Doc #77-1, at Page ID #3290.

In their reply brief, Defendants stated that:

In their motion for summary judgment, Defendants asserted if Plaintiffs' proposed constructions of claims 1-3, 5-6, 10-13, 15-16, and 20-21 are applied, these claims are invalid as anticipated by the prior art Dorenbusch patent. Defendants supported their assertion with the content of the Dorenbusch patent (Doc #77-5 at PageID #3358-74) and the declaration of a POSITA (Dr. Jensen) who explained in detail how each and every element of claims 1-3, 5-6, 10-13, 15-15, and 20-21 is found in the Dorenbusch patent if the claims are construed as proposed by Plaintiffs. (*Id.* at PageID #3333-45, vi 47-82).

(Doc #84 at PageID #4529-30).

Defendants went on to explain how the Lowe patent claims, as construed by Plaintiffs, encompass Dorenbusch. *Id.* at PageID #4529-34. Defendants summed up as follows:

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Plaintiffs have been hoisted by their own petard. To maintain their infringement case, against Mighty Line® tape, Plaintiffs have adopted a broad construction of the Lowe Patent claims. But Plaintiffs' broad construction ensnares the prior art Dorenbusch tape, which renders the Lowe Patent invalid. See *Peters v. Active Manufacturing Co.*, 120 U.S. 530, 537 (1889) ("That which infringes, if later, would anticipate, if earlier.").

As set forth . . . [in Defendants' reply brief ], in Defendants' opening brief and in Dr. Jensen's declaration, if Plaintiffs' construction is applied, Defendant's request for summary judgment that claims 1-3, 5-6, 10-13, 15-16, and 20-21 of the Lowe Patent are anticipated by the Dorenbusch patent should be granted. See *Smithline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1331, 1343 (Fed. Cir. 2005) ("Anticipation is a question of fact. However, without genuine factual disputes underlying the anticipation inquiry, the issue is ripe for judgment as a matter of law.").

(*Id.* at PageID #4534).

The Federal Circuit adopted the same constructions of the "lateral edge portion," "coplanar extension," and "central body portion" claim terms that Defendants applied for purposes of their summary judgment arguments that the Lowe patent is invalid based on the

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DuraStripe and Dorenbusch prior art. See Doc #110, at PageID #4910-15. If Defendants had filed their motion for summary judgment after the Federal Circuit's decision, their arguments regarding DuraStripe and Dorenbusch would have been identical to those made in their motion filed before the Federal Circuit's decision.

Indeed, Plaintiffs acknowledged in their supplemental response brief in opposition to Defendants' motion for summary judgment that Defendants applied Plaintiffs' proposed constructions of the disputed claim terms, instead of Defendants' proposed constructions of those claim terms, in their summary judgment arguments. See Doc #90, at PageID #4592.

**III. Claims of the '664 patent that remain at issue.**

Based upon Plaintiffs representations made during the course of the litigation, the following claims of the '664 patent remain at issue: 1, 2, 3, 5, 6, 10, 11, 12, 13, 15, 16, 20, 21.

**IV. Claims of the '664 patent that are invalid for failing to satisfy the written description requirement of 35 U.S.C. § 112.**

With respect to the written description requirement under 35 U.S.C. § 112, Defendants argued on summary judgment that if Plaintiffs' construction of "lateral edge portion" is applied, then all claims of the Lowe patent fail to comply with the written description requirement because the scope of the claims would be broader than the scope

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of the specification. The specification of the Lowe patent describes and shows shoulders or other structures on the bottom of the tape to demark the lateral edge portions while Lowe's construction encompasses a tape with a flat bottom. Doc #77-1, at PageID #3281-82. Similarly, Defendants argued that if Plaintiffs' construction of "lateral edge portion" rendered the claims invalid for failure to comply with the enablement requirement because the specification only enabled a tape in which shoulders or other structures demarked the lateral edge portions. *Id.*, at PageID #3282.

The Federal Circuit addressed section 112 and rejected Defendants' argument that "construing the claims without shoulders would render them invalid" because "[t]he claim language itself details the position of the lateral edge portions." Doc #112, at PageID #4912. However, the Federal Circuit did not address the written description requirement, which necessitates an analysis of the scope and content of the Lowe patent claims relative to the scope and content of the Lowe patent specification. Defendants maintain their position, argued on summary judgment, that a construction of the Lowe patent claims (including the "lateral edge portion," "coplanar extension, and "central body portion" claim elements) that encompasses a tape with a flat bottom, like MightyLine®, renders the claims invalid for failure to comply with the written description requirement. Such claims would be invalid because the claims are broader than the scope of the specification, which is confined to a flat tape with shoulders or other structures on its bottom surface.

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Plaintiffs have accused the Mighty Line® tape of infringing claims 1-6 and 10 of the '664 patent that include the “coplanar extension” requirement. The Mighty Line® tape admittedly has a single, flat bottom. Thus, by asserting infringement, Plaintiffs necessarily contend that the coplanar extension requirement is met by a floor marking tape that has a single, flat bottom surface. *Becton Dickinson & Co. v. DC.R. Bard, Inc.*, 922 F.2d 792, 796 (Fed. Cir. 1990) (to establish infringement, every limitation set forth in the claim must be found in the accused device). This renders the claims invalid for failing to satisfy the written description and enablement requirements because the scope and content of claims 1-6 and 10 do not comport with the scope and content of the specification.

The term “coplanar” does not appear in the Lowe Patent specification. And all the figures of the Lowe Patent show a non-flat, recessed lower surface of the tape body. Nowhere in the specification of the Lowe Patent is there a description of a floor tape that has a flat lower surface that accomplishes the objective of the invention to prevent adhesive from oozing out the sides of the beveled edge tape. Rather, the Lowe Patent specification clearly describes the invention as having a recess and shoulders on the lower surface to prevent adhesive from oozing out. If “coplanar” reads on a flat bottom surface, then claims 1-6 and 10 lack a sufficient written description and, thus, are invalid because there is no description in the Lowe Patent specification of a flat bottom tape that meets the coplanar requirement.

*Appendix G***V. Claims of the '664 patent that are invalid because of DuraStripe prior sales.**

Defendants have moved for summary judgment on the basis that claims 1, 2, 3, 5, 6, 10, 11, 12, 13, 15, 16, 20, 21 of the '664 patent are invalid based on sales of DuraStripe/ Mighty Line years before the priority date of the '664 patent. Plaintiffs do not dispute that DuraStripe is prior art to the '664 patent under 35 U.S.C. § 102(b).

Plaintiffs have accused ShieldMark's MightyLine® floor tape of infringing the Lowe Patent. ShieldMark has sold the MightyLine® floor tape, either under the name MightyLine® or DuraStripe, continuously since 2003. From 2003 to 2006, ShieldMark sold its floor tape exclusively through its distributor, Ergomat under the name DuraStripe. Ergomat branded the tape "DuraStripe" because it was the exclusive distributor. When ShieldMark terminated its relationship with Ergomat in 2006, ShieldMark made one marketing/branding change but the physical configuration its floor tape remained the same. ShieldMark changed the name of the product from DuraStripe to MightyLine®. The die design and extrusion process used to make the tape remained the same. In other words, only the name of the product changed, but the tape itself remained the same. Defendants' arguments for invalidity because of DuraStripe prior sales are set forth in detail in its memorandum in support of summary judgment (Doc 77-1) at pages 16-20.

In particular, with respect to the "lateral edge portion" claim element, Defendants cited the declaration of Timothy Jensen in which Dr. Jensen stated:



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43. . . . . I understand that Mr. Lowe believes that “lateral edge portion” means a portion of the tapered edges of the tape body. ***Applying Mr. Lowe’s construction***, since ShieldMark’s Mighty Line® tape and ShieldMark’s Durastripe® are the same, to the extent that ShieldMark’s Mighty Line® tape has an upper surface of each lateral edge portion comprising an extension of the upper surface of the body, so too did ShieldMark’s Durastripe® tape. Particularly the top surface of a portion of the tapered edge of the tape body direction connects to and extends from the upper surface of the body of the tape in the same manner and configuration in both ShieldMark’s Mighty Line® tape and ShieldMark’s Durastripe® tape. ***Therefore, applying Mr. Lowe’s construction, Durastripe meets this element of Claim I if Mighty Line® does.***

Doc 77-5, at PageID # 3332, ¶ 43 (emphasis added).

With respect to the “coplanar extension” claim element, Defendants cited Dr. Jensen’s declaration in which Dr. Jensen stated:

44. . . . . ***Mr. Lowe has construed “coplanar” to mean the bottom surface of the lateral edge portions are flat, lie in the same plane, and define an extension of the lower surface of the body.***

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45. Mr. Lowe has admitted that ShieldMark's Mighty Line® has a flat lower surface. My analysis of the lower surface of Mighty Line® and Durastripe shows that both are flat and have the same design. . . . ***Thus, if Mr. Lowe's construction of "coplanar" is applied,*** then to the extent Mighty Line® has the limitation of Claim 1 that the lower surface of each lateral edge portion is a flat coplanar extension of the lower surface of the body, then so too did ShieldMark's Durastripe® because it has the same flat surface as Mighty Line®. Therefore, ShieldMark's Durastripe® meets this element of Claim 1 in the event Mighty Line® is found to contain the "coplanar" limitation proposed by Mr. Lowe.

*Id.*, at PageID #3332-33, ¶¶ 44-45 (emphasis added). The Court should note that Dr. Jensen's analysis employed the claim construction Plaintiffs had proposed and which the Federal Circuit had adopted. Once again confirming that the Federal Circuit's claim construction had no impact on Defendants' invalidity summary judgment arguments.

As for the "central body portion" claim element, Plaintiffs do not dispute that the prior art Durastripe tape has a "central body portion" as required by the '664 patent. See Doc 77-12, at PageID #3366, Responses to RFAs 28, 29; and Doc 77-14, at Page ID #3890 and 3900.

*Appendix G***VI. Claims of the '664 patent that are invalid because of the prior art Dorenbusch patent.**

Defendants have moved for summary judgment on the basis that claims 1, 2, 3, 5, 6, 10, 11, 12, 13, 15, 16, 20, 21 of the '664 patent are invalid as anticipated by the prior art Dorenbusch patent.

Dorenbusch is prior art under 35 U.S.C. §102(b) because it issued on September 19, 2000, which is more than one year before the earliest priority date of the Lowe Patent. Dorenbusch teaches “a rearrangeable marking system for temporarily marking a spot on a hard floor or ground surface without interfering with normal use of the surface. Doc #77-2, at col 1, lines 6-10. The marking system consists of individual spot markers that are preferably made from polyvinylchlorides. *Id.* at col. 2, lines 41-51. The markers have peripheral edges that are beveled downwardly to present a gently rising edge area. *Id.* at col. 2, lines 60-62. “Preferably, the peripheral edges are angled downwardly towards the floor to create an about 30 degree to about 60 degree angle to the horizontal.” *Id.* at col. 2, lines 62-65. The markers “are pliable and have a non-slip bottom surface which resists lateral forces to remain in place during use.” *Id.* at col. 1, lines 55-57. “[A] thin layer of adhesive can be applied to the underside of each spot marker.” *Id.* at col. 3, line 15-17. Figure 4 of the Dorenbusch patent is a side elevation view of the patented marker that shows the same configuration as the Mighty Line® product.

Both the Dorenbusch patent itself and the declaration of Timothy Jensen, Ph. D., detail how each and every

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element of the asserted claims is found in the Dorenbusch patent, if the claims are construed as proposed by plaintiffs. For the convenience of the Court, Defendants have attached a chart, as Exhibit 1, that compares the asserted claims of the '664 patent to the Dorenbusch patent and demonstrates that each and every element of the asserted claims is found in Dorenbusch. This chart of Exhibit 1 simply distills Defendants' summary judgment arguments and supporting evidence in one readable chart.

**VII. Conclusion**

Based on Defendants' summary judgment filings that apply Plaintiffs' constructions of the '664 patent claims, which were adopted by the Federal Circuit: 1) the DuraStripe prior art and the Dorenbusch prior art are separate, independent, and sufficient bases for invalidation of all the asserted claims of the '664 patent as a matter of law; and 2) the written description requirement is a basis for invalidation of at least claims 1-6 and 10 of the '664 patent.

Dated: June 8, 2022

Respectfully submitted,

/s/ Howard L. Wernow

HOWARD L. WERNOW

JOSEPH A. SEBOLT

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**APPENDIX H — DOCKET ENTRIES OF THE  
UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OHIO FROM  
APRIL 19, 2021 THROUGH MAY 10, 2021**

UNITED STATES DISTRICT COURT,  
NORTHERN DISTRICT OF OHIO

1:19-cv-00748-JG

CLIFFORD A. LOWE, et al.

v.

SHIELDMARK, INC., et al.

Filed from April 19, 2021 through May 10, 2021

<b>Date Filed</b>	<b>#</b>	<b>Docket Text</b>
04/19/2021	77	<b>Motion</b> for summary judgment of Non-Infringement and Invalidity of the Lowe Patent, filed by Advanced Plastics, Inc., Crown Equipment Corporation, ShieldMark, Inc. (Attachments: # 1 Brief in Support, # 2 Exhibit 1 - US Patent 6,120,395 Dorenbusch, # 3 Exhibit 2 - Supplemental Initial Infringement Contentions, # 4 Exhibit 3 - US Patent 10,214,644 Lowe, # 5 Exhibit 4 - Declaration of Timothy B. Jensen Ph.D., # 6 Exhibit 5 - File Wrapper for US Patent 10,214,644, # 7 Exhibit 6 - USPTO Decision Denying

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Institution of PGR, # 8 Exhibit 7 - Declaration of Thomas R. Goecke, # 9 Exhibit 8 - Objections and Responses to Defendant ShieldMark's First Set of Request for Admissions, # 10 Exhibit 9 - Objections and Responses to Advanced Plastics, Inc's First Set of Requests for Admission, # 11 Exhibit 10 - Responses to Advanced Plastics Inc.'s Second Set of Interrogatories, # 12 Exhibit 11 - Responses to Crown Equipment Corporation's First Set of Request for Admission, # 13 Exhibit 12 - Gloss Test Report, # 14 Exhibit 13 - Exhibit A to Plaintiffs' Validity and Enforceability Contentions)(Wernow, Howard). (Entered: 04/19/2021 )

- 04/29/2021 78 Notice of Disclosure of Witness Under Fed. R. Civ. P. 26(a)(2)(C) filed by All Plaintiffs. (Attachments: # 1 Exhibit 1 - Validity Contentions 2-24-21). (Weber, Ray) (Entered: 04/29/2021)
- 04/29/2021 79 Expert Report pursuant to Rule 26 of *James D. Frankland* filed by All Plaintiffs. (Attachments: # 1 Exhibit Expert Report James D. Frankland, # 2 Exhibit 1 - Curriculum Vitae, # 3 Exhibit 2 - Publications, # 4 Exhibit 3 - Testimony, # 5 Exhibit 4 - Items considered, # 6 Exhibit 5 - DuraStripe,

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# 7 Exhibit 6 - Mighty Line)(Weber, Ray) (Entered: 04/29/2021)

- 05/03/2021 80 **Response** to 77 **Motion** for summary judgment of Non-Infringement and Invalidity of the Lowe Patent filed by All Plaintiffs. (Attachments: # 1 Exhibit 1 - definition of portion, # 2 Exhibit 2 - definition of edge, # 3 Exhibit 3 - definition of lateral, # 4 Exhibit 4 - 2021 Mighty Line web ad, # 5 Exhibit 5 - DuraStripe ads\_ISL000045-54, # 6 Exhibit 6 - blue & yellow tape, # 7 Exhibit 7 - 2019 Mighty Line web ad, # 8 Exhibit 8 - Mighty Line product language ISL000165, # 9 Exhibit 9 - Frankland Declaration, # 10 Exhibit 10 - Lowe Declaration, # 11 Exhibit 11 - 2019 Mighty Line edge profiles)(Weber, Ray) (Entered: 05/03/2021)
- 05/03/2021 81 **Motion** to strike Paragraphs 10-11 and 16-36 of Jensen Declaration (Doc. 77-5) Filed in Support of Defendants. Motion for Summary Judgment (Doc. 77), filed by InSite Solutions, LLC, Clifford A. Lowe. Related document(s) 77. (Attachments: # 1 Brief in Support). (Weber, Ray) (Entered: 05 /03 /2021)

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05/03/2021 82 **Response** and opposition to 76  
**Motion** for summary judgment on  
the claim of infringement of the '664  
patent, and defenses of invalidity  
and unenforceability to the claim of  
infringement of the '220 patent, filed  
by All Defendants. (Attachments: # 1  
Exhibit 1 - U. S . Patent No. 10,214,664,  
# 2 Exhibit 2 - Plaintiffs' Responses to  
Crown Equipment Corporation's First  
Set of Request for Admissions, # 3  
Exhibit 3 - Declaration of Thomas R.  
Goecke, # 4 Exhibit 4 - USPTO Decision  
Denying Institution of Post-Grant  
Review, # 5 Exhibit 5 - Declaration of  
Timothy B. Jensen, Ph.D. , # 6 Exhibit  
6 - U. S . Patent No. 10,738,220, # 7  
Exhibit 7 - October 18 , 2005 USPTO  
Office Action, # 8 Exhibit 8 - Pages  
from August 30, 2013 Deposition of  
Jerry M. Serra, Ph.D., # 9 Exhibit 9 -  
Pages from April 25, 2013 Deposition  
of Thomas R. Goecke, # 10 Exhibit  
10 - April 8 , 2019 Appeal Brief, # 11  
Exhibit 11 - September 13 , 2019  
USPTO Office Action, # 12 Exhibit  
12 - DEF005935-5965 Examiner  
Considered References from '220  
Patent File Wrapper, # 13 Exhibit  
13 - DEF3569-3623 - Creative Safety  
Supply Motion for Summary Judgment,  
# 14 Exhibit 14 - DEF009430-9435 -



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June 11 , 2013 IDS from '480 Patent ReExam File Wrapper, # 15 Exhibit 15 - DEF004735-4755 - Written Report of R. Eric Gaum, # 16 Exhibit 16 - DEF009267-9270 - September 3, 2013 IDS from '480 Patent ReExam File Wrapper)(Wernow, Howard). (Entered: 05/03/2021)

- 05/10/2021 83 **Reply** to response to 76 **Motion** for summary judgment on the claim of infringement of the '664 patent, and defenses of invalidity and unenforceability to the claim of infringement of the '220 patent filed by All Plaintiffs. (Attachments: # 1 Exhibit 1 - Remarks, # 2 Exhibit 2 - Allowance)(Weber, Ray) (Entered: 05/10/2021)
- 05/10/2021 84 **Reply** in support of 77 **Motion** for summary judgment of Non-Infringement and Invalidity of the Lowe Patent filed by All Defendants. (Wernow, Howard) (Entered: 05/10/2021)
- 05/10/2021 85 **Response** to 81 **Motion** to strike Paragraphs 10-11 and 16-36 of Jensen Declaration (Doc. 77-5) Filed in Support of Defendants. Motion for Summary Judgment (Doc. 77) *and*, **Opposition** to

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81 Motion to strike Paragraphs 10-11 and 16-36 of Jensen Declaration (Doc. 77-5) Filed in Support of Defendants. Motion for Summary Judgment (Doc. 77) filed by All Defendants. (Wernow, Howard) (Entered: 05 /10/2021)

**APPENDIX I — DOCKET ENTRIES OF THE  
UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OHIO FROM  
JUNE 29, 2022 THROUGH JULY 14, 2022**

UNITED STATES DISTRICT COURT,  
NORTHERN DISTRICT OF OHIO

1:19-cv-00748-JG

CLIFFORD A. LOWE, et al.

v.

SHIELDMARK, INC., et al.

Filed from June 29, 2022 through July 14, 2022

Date Filed	#	Docket Text
06/29/2022	150	<b>Opposition</b> to 149 <b>Motion</b> for reconsideration of <i>non-document order of June 24, 2022, directing defendants to respond to plaintiffs' motion to recuse or disqualify (Doc. #145)</i> filed by All Defendants. (Attachments: # 1 Exhibit A-Patent Assignment)(Wernow, Howard) (Entered: 06/29/2022)
06/29/2022		<b>Order</b> [non-document] entered by Judge James S. Gwin on 6/29/22. The Court GRANTS the reconsideration motion and ORDERS Defendants not

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to respond to the recusal motion. re 149  
(T,A) (Entered: 06/29/2022)

- 06/29/2022 151 Notice to the Court of the Continued Standing of Plaintiff Clifford A. Lowe filed by All Plaintiffs. Related document(s) 150 .(Weber, Ray) (Entered: 06/29/2022)
- 06/29/2022 152 **Opinion and Order** signed by Judge James S. Gwin on 6/29/22. The Court DENIES Plaintiffs' motion for judicial recusal pursuant to 28 U.S.C. § 144, 28 U.S.C. § 455(a), and 28 U.S.C. § 455(b)(1). re 145 (T,A) (Entered: 06/29/2022)
- 06/30/2022 153 Memorandum in Response to 151 Notice to the Court of the Continued Standing of Plaintiff Clifford A. Lowe filed by All Defendants. (Attachments: # 1 Exhibit A - Patent Assignment, # 2 Exhibit B - Email to Counsel, # 2 Exhibit C - Name Change to Spota, # 4 Exhibit D - Delaware Entity Information, # 5 Exhibit E - NC Business Authorization)Related document(s) 151 .(Wernow, Howard) Modified text on 7/12/2022 (M,CE). (Entered: 06/30/2022)
- 07/05/2022 154 **Opinion and Order** signed by Judge James S. Gwin on 7/5/22. The Court

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ORDERS Plaintiffs to file under seal all available documents related to any ownership transfer of the '664 patent; all documents related to any licensing of the '664 patent; all documents related to Plaintiff Lowe's authority to prosecute '664 patent claims; and an update regarding Plaintiff InSite's present corporate status. (T,A) (Entered: 07/05/2022)

- 07/05/2022    155 Supplemental Validity Brief in Response to 148 Invalidity Brief filed by All Plaintiffs. Related document(s) 142 , 148 . (Weber, Ray) Modified text on 7/12/2022 (M,CE). (Entered: 07/05/2022)
- 07/06/2022    156 **Opinion and Order** signed by Judge James S. Gwin on 7/6/22. The video oral argument scheduled for Monday, July 11 is cancelled. Plaintiffs and Defendants will file Opening Briefs on standing on Friday, July 15. Plaintiffs and Defendants will file Response Briefs on standing on Tuesday, July 19. Oral Argument RESET for 7/29/2022 at 08:00 AM to be held by video conference (Cleveland) before Judge James S. Gwin. (T,A) (Entered: 07/06/2022)

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- 07/06/2022    157    **Motion** for reconsideration of 154 Opinion and Order filed by InSite Solutions, LLC, Clifford A. Lowe. (Attachments: # 1 Brief in Support, # 2 Exhibit A - Redacted Patent License Agreement, # 3 Exhibit B - NC Sec'y of State InSite)(Weber, Ray) Modified text on 7/12/2022 (M,CE). (Entered: 07/06/2022)
- 07/07/2022                    **Order** [non-document] entered by Judge James S. Gwin on 7/7/22. The Court ORDERS Defendants to file a position paper by 5:00 PM EST on Friday July 8, 2022 in response to Plaintiffs' reconsideration motion, including whether the Court should grant leave to Plaintiffs to file an amended complaint. (T,A) (Entered: 07/07/2022)
- 07/08/2022    158    **Opposition** to 157 Motion for reconsideration of 154 Opinion and Order filed by All Defendants. (Wernow, Howard) (Entered: 07/08/2022)
- 07/11/2022    159    **Opinion and Order** signed by Judge James S. Gwin on 7/11/22. The Court GRANTS in part and DENIES in part Plaintiffs' July 6, 2022 reconsideration motion and ORDERS a revised briefing schedule

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and procedure for the disclosure of certain documents. Oral Argument RESET for 8/3/2022 at 08:00 AM to be held by video conference (Cleveland) before Judge James S. Gwin. Related Doc # 157 (T,A) (Entered: 07/11/2022)

- 07/11/2022    160    Expert Report pursuant to Rule 26 of *Alex L. Constable, Adoption of Expert Report of James D. Frankland, and Further Notice of Disclosure of Witness Under Fed.R.Civ.P. 26(a)(2)(C)* filed by All Plaintiffs. Related document(s) 131 .(Attachments: # 1 Exhibit 1 - Expert Report of Alex L. Constable)(Weber, Ray) (Entered: 07/11/2022)
- 07/12/2022    161    Notice of Service of Defendants' Expert Reports filed by All Defendants. Related document(s) 131 .(Wemow, Howard) (Entered: 07/12/2022)
- 07/13/2022    162    **Motion** to seal document 160 Expert Report, Motion for sanctions filed by Defendant ShieldMark, Inc.. Related document(s) 160 . (Attachments: # 1 Exhibit 1-Wernow Declaration) (Wemow, Howard) (Entered: 07/13/2022)

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- 07/13/2022    163    **Motion** to continue Oral Arguments *Scheduled for August 3, 2022* with memorandum in support filed by Advanced Plastics, Inc., Crown Equipment Corporation, ShieldMark, Inc. (Attachments: # 1 Exhibit 1-Sheikh Declaration)(Wernow, Howard) (Entered: 07/13/2022)
- 07/14/2022       **Order** [non-document] entered by Judge James S. Gwin on 7/14/22 granting Motion to continue 163 . Oral Argument **RESET** for 8/15/2022 at 08:00 AM to be held by video conference (Cleveland) before Judge James S. Gwin. (T,A) (Entered: 07/14/2022)
- 07/14/2022       **Order** [non-document] entered by Judge James S. Gwin on 7/14/22 granting defendant's motion to seal the expert report. The Court will rule on defendant's sanctions motion when it is ripe for decision. re 160 Expert Report, 162 Motion to seal document (T,A) (Entered: 07/14/2022)
- 07/14/2022    164    Preliminary **Response** to 162 **Motion** to seal document 160 Expert Report, Motion for sanctions filed by All Plaintiffs. (Attachments: # 1 Exhibit 1 Goecke Builds Mighty Line article) (Weber, Ray) (Entered: 07/14/2022)



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07/14/2022    165    Notice of Service of Documents and  
Delivery of Copies to the Court filed by  
All Plaintiffs. Related document(s) 159.  
(Weber, Ray) (Entered: 07/14/2022)

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**APPENDIX J — DOCKET ENTRY OF THE  
UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OHIO ON  
AUGUST 31, 2022**

UNITED STATES DISTRICT COURT,  
NORTHERN DISTRICT OF OHIO

1:19-cv-00748-JG

CLIFFORD A. LOWE, et al.

v.

SHIELDMARK, INC., et al.

Filed August 31, 2022

<b>Date Filed</b>	<b>#</b>	<b>Docket Text</b>
08/31/2022	193	Report on the Determination [Closing] of an Action Regarding a Patent or Trademark (AO1 20)& (Attachments: # 1 Order)(W,Na) (Additional attachment(s) added on 9/6/2022: # 2 Opinion and Order) (W,Na). (Entered: 08/31/2022)

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**APPENDIX K — DOCKET ENTRIES OF THE  
UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OHIO FROM  
AUGUST 29, 2019 THROUGH OCTOBER 13, 2020**

UNITED STATES DISTRICT COURT,  
NORTHERN DISTRICT OF OHIO

1:19-cv-00748-JG

CLIFFORD A. LOWE, et al.

v.

SHIELDMARK, INC., et al.

Filed from August 29, 2019 through October 13, 2020

Date Filed	#	Docket Text
08/29/2019	31	<b>Marginal Entry Order</b> signed by Judge James S. Gwin on 8/29/19 granting defendants' unopposed motion to stay. The parties shall file a status report every 2 months and shall give notice when the Patent Trial and Appeal Board decides whether it will institute a post grant review. (Related Doc. 28 ) (D,MA) (Entered: 08/29/2019)
10/23/2019	32	Joint Status Report <i>Regarding Post Grant Review</i> filed by Advanced Plastics, Inc., Crown Equipment Corporation, ShieldMark, Inc. (an

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Ohio corporation). (Megley, Richard)  
(Entered: 10/23/2019)

12/18/2019 33 Joint Status Report *Regarding Post-Grant Review* filed by All Plaintiffs. (Weber, Ray) (Entered: 12/18/2019)

01/10/2020 IMPORTANT: Prepare now and avoid delays logging in later. The U.S. District Court for the Northern District of Ohio [OHND] will be upgrading CM/ECF to the Next Generation of CM/ECF [NextGen] on February 10, 2020. Information regarding NextGen can be found on the court's website.

Preparing for NextGen CM/ECF is a multi-step process. Step one is to obtain or upgrade your PACER account. Currently, attorneys within a firm may share a PACER account. This will not be allowed with NextGen. Each attorney must have their own upgraded PACER account. If you are using a shared PACER account, register for a new PACER account by clicking [here](#).

If you have an upgraded PACER account for another NextGen court or your PACER account was created after August 10, 2014, no further

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action is required at this time. If neither applies, you must upgrade your legacy PACER account. **If this is not done, you will be unable to e-file after February 10, 2020.** Instructions for linking your PACER account to your CM/ECF account will be sent in February. If you still have questions, please contact the PACER Service Center at 800-676-6854 or the Clerk's Office Help Desk at 1-800-355-8498. (SL) (ADI) (Entered: 01/10/2020)

02/03/2020

LAST NOTICE: Prepare now and avoid delays logging in later. The U.S. District Court for the Northern District of Ohio [OHND] will be upgrading CM/ECF to the Next Generation of CM/ECF [NextGen] on February 10, 2020. In order to complete our final transition to NextGen, CM/ECF will be offline starting at 12:00 noon on Friday, February 7, 2020, through 11:59 p.m. Sunday, February 9, 2020. Pursuant to General Order 2020-02, we have established an email box, [nextgenfilings@ohnd.uscourts.gov](mailto:nextgenfilings@ohnd.uscourts.gov), for submitting documents to be filed during this period.

Preparing for NextGen is a two-step process. Step one was to obtain

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or upgrade your PACER account. Each attorney should have their own individual upgraded PACER account at this time. Step two will be to link your upgraded PACER account to your OHND e-filing account in the NextGen CM/ECF system on or after February 10, 2020. Linking Instructions. You will be unable to e-file until the accounts are linked. If you have any additional questions, please call the Clerk's Office Help Desk at 1-800-355-8498. (SL) (ADI) (Entered: 02/03/2020)

- |            |    |  |
|------------|----|--|
| 02/18/2020 | 34 | Joint Status Report <i>Regarding Post Grant Review</i> filed by All Defendants. (Wernow, Howard) (Entered: 02/18/2020) |
| 04/23/2020 | 35 | Joint Status Report <i>Regarding Post-Grant Review</i> filed by All Plaintiffs. (Weber, Ray) (Entered: 04/23/2020)     |
| 06/24/2020 | 36 | Joint Status Report <i>Regarding Post-Grant Review</i> filed by All Plaintiffs. (Weber, Ray) (Entered: 06/24/2020)     |
| 08/25/2020 | 37 | Joint Status Report <i>Regarding Post-Grant Review</i> filed by All Plaintiffs. (Weber, Ray) (Entered: 08/25/2020)     |

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- 09/30/2020    38    *Joint Status Report Regarding Post-Grant Review* filed by Advanced Plastics, Inc., Crown Equipment Corporation, ShieldMark, Inc. (an Ohio corporation). (Wernow, Howard) (Entered: 09/30/2020)
- 10/05/2020    39    **Motion** for leave to file first amended answer and counterclaims filed by ShieldMark, Inc., ShieldMark, Inc., Defendant ShieldMark, Inc. Related document(s) 22. (Attachments: # 1 Brief in Support, # 2 Exhibit 1 - US Patent No. 10,738,220, # 3 Exhibit 2 - Amended Answer to Second Amended Complaint And Amended Counterclaims, # 4 Proposed Order)(Wernow, Howard) (Entered: 10/05/2020)
- 10/06/2020                    **IMPORTANT:** Notice [non-document] of Status Conference set for 10/13/2020 at 10:00 AM to be held by video conference (Cleveland) before Judge James S. Gwin. Conference information to be provided by email to counsel. (S,KM) (Entered: 10/06/2020)
- 10/13/2020    40    **Minutes of Status/Scheduling Conference** before Judge James S. Gwin held on 10/13/2020 by video. (Court Reporter: None;Time: 45 minutes) (S,KM) (Entered: 10/13/2020)

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10/13/2020    41    **Order** signed by Judge James S. Gwin on 10/13/2020. The Court lifts stay in this case and sets dates and deadlines. Case is assigned to the standard track. Parties to be Joined and Pleading Amendments due by 10/27/2020. Dispositive Motions due by 2/22/2021, with Responses due 3/8/2021 and Replies due by 3/15/2021. Markman Hearing set for 2/25/2021 at 10:00 AM in Courtroom 18A before Judge James S. Gwin. Status Conference set for 1/7/2021 at 12:00 PM and Pretrial Conference set for 3/8/2021 at 12:00 PM, both to be held in Chambers 18A before Judge James S. Gwin. Jury Trial assigned on the two week stand-by basis beginning on 6/14/2021 at 08:00 AM in Courtroom 18A before Judge James S. Gwin. (S,KM) (Entered: 10/13/2020)



**APPENDIX L — PLAINTIFFS’ CROSS MOTION  
UNDER RULE 60(B) FOR RELIEF FROM  
JUDGMENT, UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO,  
FILED MAY 22, 2025**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

CLIFFORD A. LOWE, *et al.*,

*Plaintiffs,*

v.

SHIELDMARK, INC., *et al.*,

*Defendants.*

CASE NO. 1:19-CV-748-JG

JUDGE JAMES S. GWIN

**PLAINTIFFS’ CROSS MOTION UNDER RULE  
60(B) FOR RELIEF FROM JUDGMENT**

Now come Plaintiffs, Spota LLC, formerly InSite North Carolina, LLC and Clifford A. Lowe (jointly “Spota”) and move this Court for relief from judgment awarding Defendants attorneys’ fees and costs as sanctions. This cross motion is in opposition to Defendants’ Motion To Collect On A Supersedeas Bond (Doc. 237) filed May 20, 2025.

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The grounds for this motion are as follows:

- Rule 60(b) of the Federal Rules of Civil Procedure provides in relevant part that a court may relieve a party from a final judgment for the following reasons: (1) mistake...;(3)...misrepresentation...by an opposing party;(5) ...applying [the judgment] prospectively is no longer equitable; or (6) any other reason that justifies relief;
- Rule 60(b)(1) applies with respect to this Court's judgment awarding sanctions to Defendants because the reason given by this Court was that the failure of both Plaintiffs to disclose their respective transfers prevented Defendants from moving for summary judgment sooner;
- Rule 60(b)(3) applies with respect to this Court's judgment because the Federal Circuit based its findings that Spota never lost standing on the facts that (1) Defendants ignored the effect of non-exclusivity of the Patent License Agreement with respect to Spota's transfer, and (2) Defendants erroneously argued that the rights in the '664 patent came to exist in the ether because of both transfers. These were the same arguments made by Defendants that led this Court to find that both Plaintiffs delayed Defendants from moving for summary judgment sooner;
- Rule 60(b)(5) applies for the reason that the Federal Circuit found, contrary to this Court, that Spota never lost standing; and finally,

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- Should the Court find that the foregoing do not apply, justice requires that the sanctions award be vacated under Rule 60(b)(6) because the Federal Circuit found Spota did not lose standing when it gave InSite DE a non-exclusive patent license, requiring that the patent case continue beyond December 2021.

These grounds are set forth with particularity in the Brief in Support attached hereto and incorporated herein by reference.

Dated: May 22, 2025

Respectfully submitted,

/s/ Ray L. Weber

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing

**PLAINTIFFS' CROSS MOTION UNDER RULE  
60(B) FOR RELIEF FROM JUDGMENT**

has been filed electronically on May 22, 2025, with the United States District Court for the Northern District of Ohio. Notice of the filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

/s/ Ray L. Weber

Ray L. Weber

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**APPENDIX M — DECISION OF THE UNITED  
STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT, FILED MARCH 4, 2022**

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

2021-2164

CLIFFORD A. LOWE, INSITE SOLUTIONS, LLC,

*Plaintiffs-Appellants,*

v.

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

*Defendants-Appellees.*

Appeal 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 4, 2022

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

LOURIE, *Circuit Judge.*

Clifford A. Lowe and InSite Solutions, LLC (“Lowe”) appeal from the decisions of the United States District Court for the Northern District of Ohio (1) granting

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summary judgment following claim construction that ShieldMark, Inc. et al. (“ShieldMark”) does not infringe claims 1–6, 10–16, and 20–21 of U.S. Patent 10,214,664 (“the ’664 patent”), (2) dismissing Lowe’s claim for a declaratory judgment of invalidity and unenforceability of U.S. Patent 10,738,220 (“the ’220 patent”), and (3) denying attorney fees. *Lowe v. ShieldMark, Inc.*, No. 1:19-CV-748, 2021 WL 2530219 (N.D. Ohio June 21, 2021) (“*Noninfringement Decision*”); *Lowe v. ShieldMark, Inc.*, No. 1:19-CV-748, ECF No. 87 (N.D. Ohio May 19, 2021) (“*Claim Construction Order*”), J.A. 1–18; *Lowe v. ShieldMark, Inc.*, No. 1:19-CV-748, ECF No. 104 (N.D. Ohio July 16, 2021) (“*Dismissal*”), J.A. 27–31.

Because the district court erred in its claim construction, we *vacate* its decision granting summary judgment of noninfringement and remand for further proceedings consistent with this opinion. We *affirm* the court’s dismissal of Lowe’s declaratory judgment claim and denial of attorney fees.

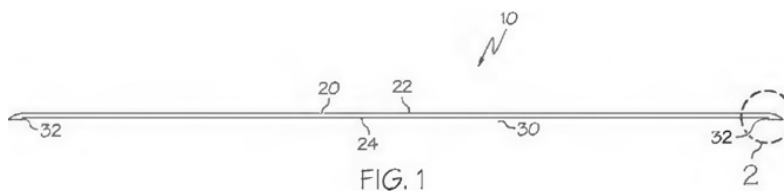
**BACKGROUND**

Lowe and ShieldMark both sell floor marking tape, a product used to mark boundaries on a floor. Each party owns a patent that covers its tape product. Lowe owns the ’664 patent and sells its tape under the name “Superior Mark.” J.A. 99. ShieldMark owns the ’220 patent and sells its tape under the name “Mighty Line.” J.A. 383, 411. We begin with a brief overview of both patents.

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Lowe's '664 patent is directed to an improved floor marking tape. The specification explains that existing tape was "prone to being caught on floor cleaning devices or skids." '664 patent, col. 1 ll. 28–30. The patented invention purports to solve that problem by disclosing tape with features that prevent it from "unintentional lifting and delamination" from the floor. *Id.* Abstract. The "[t]ape 10 generally includes a body 20 having an upper surface 22 and a lower surface 24." *Id.* col. 2 ll. 19–24. The body has a "pair of lateral edges" that are "smoothly beveled," thus "prevent[ing] tape 10 from being unintentionally lifted." *Id.* col. 1 ll. 42–43; col. 2 ll. 23–27.

The specification further explains that "[i]n one embodiment," the tape has shoulders "that define[] a recess" to "hold[] the bulk of the adhesive." *Id.* col. 1 ll. 56–59; *see id.* Abstract. The shoulders "prevent[] the adhesive from flowing out to the outer edge of the tape." *Id.* col. 1 ll. 57–59. Figure 1, below, shows the tape (10) with shoulders (32), a recess (30), and a lower surface (24). *Id.* col. 2 ll. 28–33.



Claims 1 and 11 are the only independent claims. Claim 1 reads as follows:

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

a floor having an uppermost surface; the uppermost surface of the floor configured to support personnel and equipment thereupon;

a floor marking tape having a body that has an upper surface and a lower surface; the lower surface facing the uppermost surface of the floor to which the floor marking tape is adhered such that the body of the floor marking tape is disposed above the uppermost surface of the floor;

the body of the floor marking tape having a longitudinal direction;

the body of the floor marking tape having first and second ***lateral edge portions*** disposed in the longitudinal direction; each of the first and second ***lateral edge portions*** having an upper surface and a lower surface;

each of the first and second ***lateral edge portions*** having a width defined in a direction perpendicular to the longitudinal direction;

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



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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***;

each of the first and second ***lateral edge portions*** having a maximum height that is less than its width; and

an adhesive securing the lower surface of the body to the uppermost surface of the floor to establish a boundary.

*Id.* col. 5 ll. 2–36 (emphases added).

Claim 11 similarly recites a “a floor marking tape adhered to a floor” with a “body” and tapered “***lateral edge portions***.” *Id.* col. 6 ll. 1–36 (emphasis added).

Claims 10 and 20 depend from claims 1 and 11, respectively. They each recite that the tape has “a *central body portion* disposed between the first and second lateral edge portions.” *Id.* col. 5 ll. 61–67 (emphasis added); col. 6 ll. 61–67 (emphasis added).

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All of the remaining asserted claims depend from one of the above noted independent claims.

This appeal concerns one aspect of the claims: whether they require the tape to have “shoulders” and a “recess” such that it does not lie flat.

**II**

ShieldMark’s ’220 patent is directed to “a polymeric adhesive tape” with features that purport to prevent “wearing, tearing, cracking and breakage from heavy and repeated traffic.” ’220 patent, col. 1 ll. 21–39.

The tape “usually comprises a layer of polymeric material and at least one layer of adhesive material.” *Id.* col. 1 ll. 58–60. It “may optionally have an additional layer, such as a laminating substrate on an outermost side of the above adhesive layer.” *Id.* col. 1 ll. 63–65. The tape’s composition allegedly provides “superior ductility, strength, tear resistance[,] and abrasion resistance.” *Id.* col. 1 ll. 35–38.

Claim 1 of the ’220 patent is representative and reads as follows:

1. A roll of an adhesive tape aisle marking system comprising:

a layer of polyvinyl chloride having a Shore A Hardness between 92 and 100 and a thickness between 20 mil and 65 mil;

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a layer of adhesive physically contacting the layer of polyvinyl chloride, where the layer of adhesive has a thickness less than the thickness of the polymer layer; and

a laminating substrate contacting the layer of adhesive, where the adhesive tape aisle marking system comprises a peel adhesion greater than 2.0 pounds per inch width when the laminating substrate is removed and a sample of the adhesive tape aisle marking system is adhered, the peel adhesion measured under a test method including peeling the sample of the adhesive tape aisle marking system at a 90 degree angle after application to a stainless steel panel.

*Id.* col. 4, ll. 34–52.

### III

On April 4, 2019, Lowe sued ShieldMark, alleging that ShieldMark’s Mighty Line tape infringes claims 1–6, 10–16, and 20–21 of the ’664 patent. J.A. 70–80. In response, ShieldMark raised a defense of noninfringement. J.A. 137. According to ShieldMark, the ’664 patent claims require the tape to have shoulders and a recess and thus cannot cover its Mighty Line tape, which has a single, flat lower surface without shoulders.<sup>1</sup>

---

1. Neither party disputes that ShieldMark’s Mighty Line tape has a flat lower surface.

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On August 11, 2020, ShieldMark’s own floor marking tape patent issued—the ’220 patent. Accordingly, ShieldMark amended its answer to Lowe’s complaint, adding a counterclaim against Lowe for infringing “at least claims 1–3, 9, 10 and 17–19” of the ’220 patent through sale of Superior Mark tape. J.A. 362, 425. In response, Lowe amended its complaint to include a declaratory judgment claim for invalidity and unenforceability of the ’220 patent. J.A. 662.

Subsequently, Lowe decided to alter the design of its Superior Mark tape such that “it arguably no longer infringes” the ’220 patent claims. *Dismissal*, slip. op. at 2; J.A. 1413–14. In turn, ShieldMark provided Lowe with a covenant not to sue. The signed covenant provided that:

ShieldMark . . . hereby ***unconditionally covenants not to file or maintain any lawsuit*** anywhere in the world against Clifford A. Lowe or Insite Solutions, LLC for the infringement or alleged infringement of the ’220 patent for any past or present manufacture, use, sale, offer for sale, or importation by Clifford A. Lowe or Insite Solutions, LLC of floor marking tape currently marketed as Superior Mark floor marking tape.

J.A. 1409 (emphasis added).

On March 8, 2021, in view of the covenant, ShieldMark moved to (1) voluntarily dismiss with prejudice its ’220 patent infringement suit against Lowe under Federal

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Rule of Civil Procedure 41(a), and (2) dismiss Lowe's corresponding declaratory judgment claim for lack of subject matter jurisdiction. *Dismissal*, slip. op. at 2. Lowe, however, opposed both motions. It also continued to pursue its declaratory judgment claim, filing a motion for summary judgment of invalidity and unenforceability of the '220 patent. J.A. 1762.

The district court reviewed the parties' motions and issued two decisions. The first decision addressed the '664 patent claims and the second addressed the '220 patent claims.

With respect to the first decision, the district court granted summary judgment that ShieldMark does not infringe the '664 patent claims. The court's judgment was based on its construction of the terms "lateral edge portion," "coplanar extension," and "central body portion."

The district court construed the term "lateral edge portion" to mean "the portion of the floor marking tape from the *shoulder* to the edge of the tape when viewed in cross section." *Claim Construction Order*, slip. op. at 9 (emphasis added). The court acknowledged that "the term 'shoulder' is not present in the '664 [p]atent[] claims," but explained that it "appears repeatedly in the patent [s]pecification[]." *Id.*, slip. op. at 8.

The district court construed the limitation "the lower surface of each lateral edge portion being a flat coplanar extension of the lower surface of the body" to mean "a planar relationship exists between two or more things

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[that] *does not allow the entire lower surface of the tape body to be one flat or planar surface.*” *Id.*, slip. op. at 10 (emphasis added) (internal quotation marks omitted). Again, in support of its construction, the court pointed out that the tape cannot have a flat lower surface because the specification repeatedly describes “a [l]ower surface 24 [that] defines a recess 30 bounded by a pair of shoulders 32.” *Id.*, slip. op. at 11.

Finally, the district court construed “central body portion” to mean “the portion of the tape body between the *shoulders* of the two lateral edge portions.” *Id.*, slip. op. at 10 (emphasis added).

In view of its claim construction, the district court granted summary judgment of noninfringement. *Noninfringement Decision*, 2021 WL 2530219, at \*4. The court explained that, because the claims require the tape to have shoulders and a recess, they cannot encompass ShieldMark’s Mighty Line tape, which has a completely “flat lower surface” and no shoulders. *Id.* at \*3–4. For the same reasons, the district court also held that ShieldMark’s Mighty Line tape does not infringe the remaining asserted dependent claims. *Id.*

With respect to the second decision, the district court dismissed all claims concerning the ’220 patent.

First, the district court granted ShieldMark’s motion to dismiss its ’220 patent infringement suit pursuant to Federal Rule of Civil Procedure 41. *Dismissal*, slip. op. at 5. The court conditioned its dismissal on ShieldMark’s

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continuing consent to abide by the covenant. *Id.* The court also dismissed Lowe’s declaratory judgment claim for invalidity and unenforceability of the ’220 patent. The court did not expressly state on what ground it was dismissing the declaratory judgment claim. *Id.*

Second, the court denied as moot ShieldMark’s motion to dismiss Lowe’s ’220 patent declaratory judgment claim for lack of subject matter jurisdiction. The court also held that each party should bear its own attorney fees. *Id.*

Lowe appealed the district court’s decisions concerning the ’664 and ’220 patents. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

**DISCUSSION**

Lowe raises three arguments on appeal. Specifically, Lowe argues that the district court erred (1) in granting summary judgment that ShieldMark does not infringe the ’664 patent, (2) in dismissing Lowe’s declaratory judgment claim for invalidity and unenforceability of the ’220 patent, and (3) in denying attorney fees. We address each argument in turn.

**I**

We turn first to Lowe’s argument that the district court erred in granting summary judgment of noninfringement. According to Lowe, the court’s judgment stemmed directly from its erroneous construction of the terms “lateral edge portion” (claims 1 and 11), “coplanar extension” (claim 1),

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and “central body portion” (claims 10 and 20). We thus focus our analysis on the court’s construction of those three terms.

We review a district court’s grant of summary judgment according to the law of the regional circuit. *Lanard Toys Ltd. v. Dolgencorp LLC*, 958 F.3d 1337, 1341 (Fed. Cir. 2020) (citing *Kaneka Corp. v. Xiamen Kingdomway Grp. Co.*, 790 F.3d 1298, 1303 (Fed. Cir. 2015)). The Sixth Circuit reviews a grant of summary judgment de novo. *ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 919 (6th Cir. 2003).

Claim construction is ultimately an issue of law, which we review *de novo*. *Shire Dev., LLC v. Watson Pharm., Inc.*, 787 F.3d 1359, 1364 (Fed. Cir. 2015). We review *de novo* the district court’s findings of fact on evidence “intrinsic to the patent,” and review for clear error all other subsidiary findings of fact. *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 841 (2015). Although infringement is a question of fact, *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1309 (Fed. Cir. 2009), we review *de novo* the district court’s grant of summary judgment of noninfringement, *Unwired Planet, LLC v. Apple Inc.*, 829 F.3d 1353, 1356 (Fed. Cir. 2016).

**A**

Lowe first asserts that the district court erred in construing the term “lateral edge portion” to mean “the portion of the floor marking tape from the *shoulder* to the edge of the tape when viewed in cross section.” *Claim*



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*Construction Order*, slip. op. at 9 (emphasis added). Lowe contends that the court erroneously imported the term “shoulder” from the specification into the claim language. According to Lowe, the claimed invention does not *require* the tape to have shoulders. Rather, the shoulders are merely part of one embodiment. Thus, Lowe argues, the lateral edge portions are simply “a portion of the tapered edges of the tape body.” Appellants’ Br. 19. ShieldMark responds that the court correctly construed the term “lateral edge portion.” According to ShieldMark, because the specification uniformly describes the claimed invention as requiring a tape with shoulders, the court correctly included the term “shoulders” in its construction.

We agree with Lowe that the district court erred in construing the term “lateral edge portions.” We have repeatedly “cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification.” *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1328 (Fed. Cir. 2002) (quoting *Comark Commc’ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998)). Here, the court did just that. Specifically, it determined that, because the term “shoulders” “appears repeatedly in the patent specification[,]” the claimed invention must include shoulders. *Claim Construction Order*, slip. op. at 8. But, as is clear from the claim language and the specification, the asserted claims are not so limited.

Starting with the claim language, neither claim 1 nor claim 11 recites that the tape has shoulders demarcating a recess. In fact, neither claim even mentions the word

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“shoulders.” Moreover, claim 7, which depends from claim 1, *does* recite that the tape has a recess and (by implication) shoulders that demarcate the recess. ’664 patent, col. 5 ll. 50–52. Thus, if we were to construe the claims as ShieldMark proposes, claim 7 would be superfluous. *See Wi-LAN USA, Inc. v. Apple Inc.*, 830 F.3d 1374, 1391 (Fed. Cir. 2016) (“A construction that would cause two differently worded claims to cover exactly the same claim scope would render one of the claims superfluous, so we apply a presumption against such constructions.”).

The specification provides further evidence that the asserted claims are not as narrow as ShieldMark contends. For example, it states that tape with shoulders and a recess is just “*one embodiment*” of the claimed invention. ’664 patent, Abstract; col. 1 ll. 56–59 (emphasis added). It further explains that “[o]ther structures combined with body 20 may also be used in place of ... shoulders 32.” *Id.* col. 2 ll. 33–36 (emphasis added). The specification goes on to describe additional “embodiments” or “configurations” of tape, several without shoulders. *Id.* col. 1 ll. 38–46; col. 1 ll. 60–64; col. 2 ll. 64–67; *see Poly-Am., L.P. v. API Indus., Inc.*, 839 F.3d 1131, 1136 (Fed. Cir. 2016) (“[T]he standard for disavowal is exacting, requiring clear and unequivocal evidence that the claimed invention includes or does not include a particular feature.” (citing *Openwave Sys., Inc. v. Apple Inc.*, 808 F.3d 509, 513–14 (Fed. Cir. 2015))).

The parent of the ’664 patent, U.S. Patent 8,883,290, also supports our determination. Both the ’664 and ’290 patents share a specification and recite claims directed to floor marking tape. Importantly, however, unlike the ’664

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patent claims, the '290 patent claims expressly recite that the tape has “shoulders” and “a recess.” '290 patent, col. 4 l. 62–col. 5 l. 15. Accordingly, the patentee knew how to claim tape with shoulders and a recess when specifically intended. Thus, as is clear from the evidence, the claimed invention is not as narrow as ShieldMark asserts.

ShieldMark makes several additional arguments, all unpersuasive.

First ShieldMark contends that, because every figure of the '664 patent shows an embodiment of tape with shoulders, the claimed invention must have shoulders.

We disagree. ShieldMark is correct that every figure in the specification depicts tape with shoulders. Importantly, however, that does not necessarily require us to narrowly limit the claimed invention to those figures. As explained above, the specification *describes* various embodiments of the tape, several without shoulders.

Second, ShieldMark asserts that Lowe’s proposed construction, which omits the word “shoulders,” would violate 35 U.S.C. § 112. Specifically, ShieldMark contends that, without the word “shoulders” in the construction, it is unclear “where the lateral edge portions begin and other parts of the tape end.” Appellees’ Br. 28.

We disagree with ShieldMark that construing the claims without reference to the word shoulders would render them invalid. The claim language itself details the position of the lateral edge portions: they are at the

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*tapered* edges of the floor marking tape, without reference to shoulders. More specifically, claim 1 recites that the lateral edge portions (1) are tapered<sup>2</sup>; (2) are disposed in the longitudinal direction; (3) have an “upper surface” “comprising an extension of the upper surface of the body;” and (4) have a “maximum height that is less than [their] width.” ’664 patent, col. 5 ll. 2–36. That description speaks for itself. We thus reject ShieldMark’s argument.

**B**

Lowe next asserts that the district court erred in construing the limitation “lower surface of each lateral edge portion being a flat coplanar extension of the lower surface of the body” to mean “a planar relationship exists between two or more things [that] does not allow the entire lower surface of the tape body to be one flat or planar surface.” *Claim Construction Order*, slip. op. at 10 (internal quotation marks omitted). First, Lowe argues that the court should have construed the limitation to mean “the bottom surfaces of the lateral edge portions are flat, lie in the same plane, and define an extension of the lower surface of the body.” Appellants’ Br. 20. In other words, Lowe contends that “coplanar” refers to the relationship between the two lateral edge portions.

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2. We decline to consider Lowe’s argument that the district court erroneously construed the term “tapered.” Lowe fails to explain how the court’s construction would affect our infringement analysis. *See Jang v. Bos. Sci. Corp.*, 532 F.3d 1330, 1336 (Fed. Cir. 2008) (resolving claim construction issues “that do not actually affect the infringement controversy between the parties” would result in an impermissible advisory opinion).

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Second, Lowe argues that the court again limited the claimed invention to one embodiment in the specification: tape with shoulders and a recess. Specifically, Lowe points out that if the tape cannot lie flat, then by implication, it must have shoulders and a recess. *Id.* at 23.

ShieldMark responds that the court's construction was correct. It first asserts that, "coplanar extension" necessarily implies a reference to two distinct points that a continuous flat line does not have." Appellees' Br. 29. It also asserts that, because the claimed invention is limited to tape with shoulders and a recess, the tape cannot have one flat lower surface. Moreover, according to ShieldMark, in an earlier decision denying institution of post-grant review for the '664 patent, the U.S. Patent and Trademark Office Patent Trial and Appeal Board (the "Board") allegedly determined that the term "coplanar extension" cannot encompass a single, flat lower surface.

We agree with Lowe that the district court's construction was incorrect. Claim 1 simply recites that the lateral edge portions are (1) flat, (2) coplanar with each other, and (3) extensions of the lower surface of the body. Contrary to ShieldMark's assertion, claim 1 does not "necessarily impl[y] a reference to two distinct points that a continuous flat line does not have." Appellees' Br. 29 (internal quotations marks omitted). Moreover, in construing the term "coplanar extension," the district court erroneously imported limitations from the specification into the claims. For example, it observed that "the specification language" "weighs heavily against [Lowe's] proposed construction" because it "describe[s] 'a

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[l]ower surface 24 [that] defines a recess 30 bounded by a pair of shoulders 32.” *Claim Construction Order*, slip. op. at 11. But for the reasons explained above, the asserted claims are not so limited.

Nor are we persuaded by ShieldMark’s argument regarding the post-grant review. ShieldMark misreads the Board’s decision. The Board did not, as ShieldMark argues, construe the claims to exclude a single, flat lower surface. Rather, it simply held that the claims do not *require* “the lower surface of the lateral edge portions to be coplanar with the lower surface of the tape body defined by recess 30.” J.A. 1109. The Board further explained that the lower surfaces of the first and second lateral edge portions “1) are flat, 2) are coplanar with each other, and 3) define an ‘extension of the lower surface of the body.’” *Id.* Thus, the Board’s construction did not speak to whether the tape must have shoulders with a recess.

**C**

Finally, Lowe asserts that the district court erred in construing the term “central body portion” to mean “the portion of the tape body between the *shoulders* of the two lateral edge portions.” *Claim Construction Order*, slip. op. at 10 (emphasis added). According to Lowe, the court should have construed the term “central body portion” to mean the “portion of the tape that extends along and on each side of the body’s centerline.” Appellants’ Br. 22. ShieldMark responds, as it did before, that the court’s construction was correct because the claimed invention requires shoulders.

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We agree with Lowe. Again, the court’s construction improperly imported the term “shoulders” into the claims. For the reasons explained above, that construction was erroneous. Except for claims 7 and 17 and the claims that depend from them, the claims are not so limited.

In summary, because the district court erred in construing “lateral edge portion,” “coplanar extension,” and “central body portion,” we vacate its claim construction order and adopt Lowe’s construction of those terms. Additionally, because the court granted summary judgment of noninfringement based on its claim construction, we vacate its summary judgment decision involving all of the asserted claims of the ’664 patent and remand for further proceedings consistent with this opinion.

## II

We turn next to Lowe’s argument that the district court erred in dismissing the declaratory judgment claim for invalidity and unenforceability of the ’220 patent.

As an initial matter, the district court did not expressly state on what ground it dismissed the declaratory judgment claim. *Dismissal*, slip. op. at 5. However, “an appellate court may affirm a judgment of a district court on any ground the law and the record will support [as] long as that ground would not expand the relief granted.” *Glaxo Grp. Ltd. v. TorPharm, Inc.*, 153 F.3d 1366, 1371 (Fed. Cir. 1998). Because the record shows that the district court lacked subject matter jurisdiction over Lowe’s declaratory judgment claim, we affirm on that ground.

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“Subject matter jurisdiction in a declaratory judgment suit depends upon the existence of ‘a substantial controversy, between the parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.’” *Dow Jones & Co. v. Abblaise Ltd.*, 606 F.3d 1338, 1345 (Fed. Cir. 2010) (quoting *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007)). Whether the district court had subject matter jurisdiction is a question we review de novo. *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1335 (Fed. Cir. 2008).

Here, Lowe fails to show that there remains a substantial controversy between the parties.

First, ShieldMark voluntarily dismissed its infringement suit against Lowe *with prejudice*. It did so after learning that Lowe had sold few Superior Mark products and then created a noninfringing redesign.

Second, there was (and still is) only a speculative possibility that ShieldMark will sue Lowe again for infringing the ’220 patent claims through sale of Superior Mark tape; ShieldMark provided Lowe with a covenant not to sue for past and present infringement of the ’220 patent claims. J.A. 1409. And the district court conditioned its dismissal on ShieldMark’s continuing consent to the covenant. *Dis-missal*, slip. op. at 5. *See Dow Jones*, 606 F.3d at 1348 (“In the case at bar, [patentee’s] covenant not to sue avowed that” it would not sue “for any acts of infringement. . . . The covenant therefore extinguished



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any current or future case or controversy between the parties and divested the district court of subject matter jurisdiction.”).

Still, Lowe emphasizes that, because the covenant covers only past and present acts, if Lowe decides to keep selling or manufacturing its original Superior Mark tape in the future, ShieldMark will likely sue again for infringement of the ’220 patent claims. Lowe also points out that “ShieldMark has yet another continuation application pending,” and that it is “more probable than not” that ShieldMark will sue Lowe for infringement once that patent issues. Appellants’ Br. 33.

Lowe’s arguments are unpersuasive. With respect to the ’220 patent, ShieldMark has expressly stated that it will not sue Lowe for future manufacture, sale, or use of the original Superior Mark tape design. *Oral Argument*, at 23:06–26:40. With respect to the continuation application, other than mere speculation, Lowe fails to point to any evidence that ShieldMark intends to sue Lowe for infringement if and when the patent issues. Accordingly, Lowe does not satisfy the “sufficient immediacy” requirement of *MedImmune*. At best, Lowe has shown only that there is a “a *hypothetical* ‘prospect of a second lawsuit.’” *See Dismissal*, slip. op. at 4 (emphasis added). That is insufficient. A “case or controversy must be based on a real and immediate injury or threat of future injury . . . an objective standard that cannot be met by a purely subjective or speculative fear of future harm.” *Asia Vital Components Co. v. Asetek Danmark A/S*, 837 F.3d 1249,

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1253 (Fed. Cir. 2016) (quoting *Prasco*, 537 F.3d at 1339). Because the record shows that there was no remaining live controversy, we affirm the district court’s dismissal of Lowe’s declaratory judgment claim on the ground of lack of subject matter jurisdiction.<sup>3</sup>

**III**

Finally, we address Lowe’s third argument that the district court abused its discretion in denying attorney fees following dismissal of the ’220 patent infringement suit.

We review a district court’s denial of attorney fees under 35 U.S.C. § 285 for abuse of discretion. *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 572 U.S. 559, 564 (2014). “Abuse of discretion is a highly deferential standard of appellate review.” *Bayer CropScience AG v. Dow AgroSciences LLC*, 851 F.3d 1302, 1306 (Fed. Cir. 2017). “Because the district court lives with the case over a prolonged period of time, it is in a better position to determine whether a case is exceptional, and it has discretion to evaluate the facts on a case-by-case basis.” *Ranieri v. Microsoft Corp.*, 887 F.3d 1298, 1308–09 (Fed. Cir. 2018) (quoting *SFA Sys., LLC v. Newegg Inc.*, 793 F.3d 1344, 1351 (Fed. Cir. 2015)).

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3. Because we affirm the district court’s dismissal of Lowe’s declaratory judgment claim for invalidity and unenforceability of the ’220 patent, we need not address Lowe’s request that we reverse the district court’s decision and remand with an instruction to grant summary judgment of invalidity and unenforceability of the ’220 patent.

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Lowe asserts that it was entitled to attorney fees because ShieldMark engaged in a variety of allegedly exceptional behavior. Specifically, Lowe contends that ShieldMark voluntarily dismissed its '220 patent infringement suit “only after being confronted with significant invalidity and unenforceability contentions.” Appellants’ Br. 55. In other words, according to Lowe, ShieldMark “ran from the fight.” *Id.* at 36. ShieldMark responds that it acted reasonably throughout the litigation and that Lowe’s allegations are factually unsupported.

We agree with ShieldMark that the district court did not abuse its discretion in denying attorney fees. Here, the court considered the record and the parties’ conduct and reasonably concluded that ShieldMark’s behavior did not warrant attorney fees. As the court explained, ShieldMark had a “compelling” reason to voluntarily dismiss its infringement suit: it learned that Lowe altered the design of its Superior Mark tape so that it “arguably no longer infringes” ShieldMark’s ’220 patent. *Dismissal*, slip. op. at 2, 4. The court further explained that ShieldMark did not delay seeking a dismissal. *Id.*, slip. op. at 4. Accordingly, Lowe fails to persuade us that the court abused its discretion in denying attorney fees.

**CONCLUSION**

We have considered the parties’ remaining arguments but find them unpersuasive. For the foregoing reasons, we *vacate* the district court’s decision granting summary judgment of noninfringement and remand for further proceedings consistent with this opinion. We *affirm* the

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court's dismissal of Lowe's declaratory judgment claim and denial of attorney fees.

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

COSTS

No costs.