Introduction

In its second precedential opinion of 2021, *ABS Global, Inc. v. Cytonome/ST, LLC*, the Court of Appeals for the Federal Circuit was asked to determine if a patentee's unilateral, voluntary disavowal of the enforcement of its patent rights in a related proceeding against an accused infringer mooted an appeal by the accused infringer. In a fact-specific outcome that may nonetheless affect appellate and litigation strategy for patentees in the future, the Federal Circuit determined that such a disavowal may actually moot an appeal by the accused infringer.

Procedural History

Cytonome/ST, LLC ("Cytonome"), the owner of U.S. Patent No. 8,529,161 (the "'161 Patent"), filed suit against ABS Global, Inc. ("ABS") in federal district court, alleging infringement of the '161 Patent. Several months later, ABS filed a petition for *inter partes* review of the '161 Patent, to which the Patent Trial and Appeal Board ("Board") instituted review. Over a year later, the Board, in its final written decision, declared invalid some, *but not all*, of the claims in the '161 Patent. Shortly thereafter, the district court ruled in favor of ABS, holding that ABS did not infringe the claims in the '161 Patent. Notwithstanding this district-court victory, ABS appealed the Board's final written decision to the Federal Circuit, seeking review on the patentability of the remaining claims of the '161 Patent.

After initial briefing by ABS, Cytonome filed its brief in response, supported by an affidavit, saying that Cytonome "has elected not to pursue an appeal of the *district court's* finding of non-infringement as to the '161 [P]atent and hereby disclaims [] an appeal." Coupled with this express disavowal, Cytonome argued to the Federal Circuit that ABS lacked constitutional standing to appeal the Board's final written decision.

The question before the Federal Circuit was whether Cytonome's unilateral action could dismiss ABS's appeal.

Evaluating Voluntary Cessation

The Federal Circuit stated that Cytonome had the initial burden of showing that Cytonome would not be reasonably expected to resume its enforcement efforts against ABS. In finding that Cytonome's express disavowal satisfied the initial burden, the Federal Circuit shifted the burden to ABS. The Federal Circuit held that ABS failed to offer adequate evidence to show that ABS was at risk for future infringement of the '161 Patent, noting the following:

First, at oral argument, ABS acknowledged that it had not presented evidence that ABS was, or would be, pursuing activities *not* included within the ambit of Cytonome's express disavowal. Second, ABS had previously argued before the district court that it developed a re-design of the technology, thereby avoiding the '161 Patent claims. Third, ABS failed to offer any specific evidence beyond reliance upon the parties' prior,

extensive litigation history.

Ultimately, the Federal Circuit deemed ABS's assertions "too speculative to support constitutional standing," and dismissed the appeal as moot.

What Could ABS Have Done?

The Federal Circuit set forth a few examples of evidence ABS *could have* proffered to show that the dispute was not yet moot, such as:

1. ABS was developing, or planning to develop, a potentially infringing product;
2. the '161 Patent claims impeded ABS's ability to develop any product or meet customer needs;
3. ABS incurred additional costs as a result of trying to design around the '161 Patent; and/or
4. ABS allocated resources to developing a product arguably covered by the '161 Patent.

Had ABS proffered any of the foregoing, ABS *could have* shown that the dispute between the parties was not yet moot. But in the absence of such facts, Cytonome's disavowal was deemed sufficient.

Remarks from the Dissent

Writing for the dissent, Chief Judge Prost declared that the proper result was not one of dismissal, but rather *vacatur*. Prost wrote that "[v]acatur is in order when mootness occurs through… the 'unilateral action of the party who prevailed in the lower court.'" *Arizonans for Off. Eng. v. Arizona, 520 U.S. 43, 68 n.22 (1997)*. "Were it otherwise, appellees could deliberately moot cases on appeal, thereby shielding erroneous decisions from reversal." *Penguin Books USA Inc. v. Walsh, 929 F.2d 69, 73 (2d Cir. 1991)*.

Prost ultimately stated that dismissal would deprive ABS of appellate review, whereas vacatur would open the possibility for future re-litigation of the appealed decision. Here, vacatur would protect ABS against a future claim by Cytonome, wherein Cytonome would argue that ABS has been estopped from making arguments previously made in the proceedings. Thus, Prost believed that "Cytonome obtained a favorable determination from the Board, took voluntary action to moot ABS's appeal, and now will retain the benefit."

Takeaways

While the holding in *ABS Global, Inc. v. Cytonome/ST, LLC* is dependent upon the particular facts of the case, the Federal Circuit laid out two important points for patent practitioners: (1) to show that a dispute is not moot, you (i.e., the accused infringer) must provide concrete evidence of the patentee's pursuit of enforcement efforts beyond

prior, extensive litigation history; and (2) where a court has determined a dispute is moot, ensure you argue for disposition by vacatur, in the alternative to dismissal.