United States Court of Appeals for the Federal Circuit

DRAGON INTELLECTUAL PROPERTY, LLC,
Plaintiff-Appellee

v.

DISH NETWORK LLC,
Defendant-Appellant

v.

ROBERT E. FREITAS, FREITAS & WEINBERG LLP, JASON S. ANGELL,
Respondents-Appellees

2019-1283

Appeal from the United States District Court for the District of Delaware in No. 1:13-cv-02066-RGA, Judge Richard G. Andrews.

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DRAGON INTELLECTUAL PROPERTY, LLC,
Plaintiff-Appellee

v.

SIRIUS XM RADIO INC.,
Defendant-Appellant

v.

JASON S. ANGELL, ROBERT E. FREITAS, FREITAS & WEINBERG LLP,
Respondents-Appellees

2019-1284

Appeal from the United States District Court for the District of Delaware in No. 1:13-cv-02067-RGA, Judge Richard G. Andrews.

Decided: April 21, 2020

KAI ZHU, Dragon Intellectual Property, LLC, Los Altos, CA, for plaintiff-appellee.

JAMIE ROY LYNN, Baker Botts, LLP, Washington, DC, argued for defendant-appellant DISH Network LLC. Also represented by LAUREN J. DREYER; GEORGE HOPKINS GUY, III, Palo Alto, CA; ALI DHANANI, MICHAEL HAWES, Houston, TX.

MARK BAGHDASSARIAN, Kramer Levin Naftalis & Frankel LLP, New York, NY, argued for defendant-appellant Sirius XM Radio Inc. Also represented by SHANNON H. HEDVAT.

ROBERT E. FREITAS, Freitas & Weinberg LLP, Redwood Shores, CA, argued for respondents-appellees. Also represented by RACHEL KINNEY, DANIEL J. WEINBERG.

ALEXANDRA HELEN MOSS, Electronic Frontier

Foundation, San Francisco, CA, for amicus curiae Electronic Frontier Foundation.

Before LOURIE, MOORE, and STOLL, *Circuit Judges*.

MOORE, *Circuit Judge*.

DISH Network LLC and Sirius XM Radio Inc. (SXM) (collectively, Appellants) appeal the United States District Court for the District of Delaware's order denying Appellants' motions for attorneys' fees under 35 U.S.C. § 285. Because the district court erred in holding that Appellants are not prevailing parties under § 285, we vacate and remand.

BACKGROUND

Dragon Intellectual Property, LLC separately sued DISH, SXM and eight other defendants[1] in December 2013, alleging infringement of claims of U.S. Patent No. 5,930,444. On December 23, 2014, DISH filed a petition seeking *inter partes* review of the '444 patent. The Board instituted review on July 17, 2015 and subsequently granted SXM's request for joinder under 35 U.S.C. § 315(c). The district court stayed proceedings as to DISH and SXM pending the resolution of the Board's review but proceeded with claim construction as to the other eight defendants.

After a consolidated claim construction hearing, the district court issued a claim construction order on September 14, 2015. Following the claim construction order, Dragon, DISH, SXM, and the other eight defendants

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[1] Dragon also sued Apple, Inc., AT&T Services, Inc., Charter Communications Inc., Comcast Cable Communications LLC, Cox Communications Inc., DirecTV LLC, Time Warner Cable Inc., and Verizon Communications Inc. in separate complaints.

stipulated to noninfringement as to the products accused of infringing claims of the '444 patent. On April 27, 2016, the district court entered judgment of noninfringement in favor of all defendants, including DISH and SXM, based on the district court's claim construction order and the parties' stipulation. *See, e.g.*, *Dragon Intellectual Prop., LLC v. DISH Network LLC*, No. 1:13-cv-02066-RGA (D. Del. Apr. 27, 2016), ECF No. 117; *Dragon Intellectual Prop., LLC v. Sirius XM Radio Inc.*, No. 1:13-cv-02067-RGA (D. Del. Apr. 27, 2016), ECF No. 130. On June 15, 2016, in the parallel *inter partes* review, the Board issued a final written decision holding unpatentable all asserted claims. *See Dish Network L.L.C. v. Dragon Intellectual Prop., LLC*, No. IPR2015-00499, 2016 WL 3268756 (PTAB June 15, 2016).

In August 2016, DISH and SXM moved for attorneys' fees under 35 U.S.C. § 285 and 28 U.S.C. § 1927. Before the motions were resolved, Dragon appealed both the district court's judgment of noninfringement and the Board's final written decision. On November 1, 2017, we affirmed the Board's decision and dismissed the parallel district court appeal as moot. *See Dragon Intellectual Prop., LLC v. Dish Network LLC*, 711 F. App'x 993, 998 (Fed. Cir. 2017); *Dragon Intellectual Prop., LLC v. Apple Inc.*, 700 F. App'x 1005, 1006 (Fed. Cir. 2017). On remand, Dragon moved to vacate the district court's judgment of noninfringement and to dismiss the case as moot. On September 27, 2018, the district court vacated the judgment of noninfringement as moot but retained jurisdiction to resolve Appellants' fees motions. *Dragon Intellectual Prop., LLC v. Apple, Inc.*, No. 1:13-cv-02058-RGA, 2018 WL 4658208, at *2–3 (D. Del. Sept. 27, 2018).

On November 7, 2018, the district court denied the DISH and SXM motions for attorneys' fees. *Dragon Intellectual Prop., LLC v. DISH Network, LLC*, No. 1:13-cv-02066-RGA, 2018 WL 5818533, at *1–2 (D. Del. Nov. 7, 2018). The district court agreed that DISH and SXM "achieve[d] a victory" over Dragon but held that neither

DISH nor SXM is a prevailing party because they were not granted "actual relief on the merits." *Id.* at *1 & n.1. The district court further stated that "success in a different forum is not a basis for attorneys' fees" in the district court. *Id.* at *1 n.1.[2] DISH and SXM appeal, arguing that the district court erroneously held that they are not prevailing parties. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).[3]

DISCUSSION

A district court "in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. We review a district court's determination of whether a litigant is a prevailing party under § 285 *de novo*, applying Federal Circuit law. *See Highway Equip. Co. v. FECO, Ltd.*, 469 F.3d 1027, 1032 (Fed. Cir. 2006). Appellants argue the district court erred in holding that

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[2] The district court also denied Appellants' motions for attorneys' fees under § 1927. *Dragon Intellectual Prop., LLC v. DISH Network LLC*, No. 1:13-cv-02066-RGA, 2018 WL 5818533, at *2. Dragon has not challenged that aspect of the district court's decision on appeal and has thus waived it.

[3] Under 28 U.S.C. § 1295(a)(1), we have jurisdiction over "an appeal from a final decision of a district court of the United States. . . ." The parties do not dispute that together with the district court's vacatur, the order denying the Appellants' motions for fees resolved all matters before the district court. Accordingly, the district court's order constitutes a final appealable decision under 28 U.S.C. § 1295(a)(1). *See PPG Indus., Inc. v. Celanese Polymer Specialties Co., Inc.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) ("A 'final decision' generally is one which ends the litigation on the merits and leaves nothing for the court to do but execute the judgment").

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