

ALPS SOUTH, LLC v. THE OHIO WILLOW WOOD GROUP, Appeal No. 2013-1452, -1488, 2014-1147, -1426 (Fed. Cir. June 5, 2015). Before Lourie, Moore and Chen. Appealed from M.D. Fla. (Judge Scriven).

Background:

An inventor obtained a patent ('109 Patent) directed to a composite article of a thermoplastic gel. The inventor assigned all of the rights in the '109 Patent to his company, Applied Elastomerics, Inc. (AEI). AEI subsequently entered into a license agreement with the plaintiff, Alps South (Alps) relating to several of AEI's patents, including the '109 Patent.

Alps subsequently filed suit against The Ohio Willow Wood Group (OWW) alleging patent infringement of the '109 Patent. OWW filed a motion to dismiss for lack of standing because Alps failed to name AEI as a party in the suit. While the motion to dismiss was pending, Alps executed an amended license agreement with AEI that eliminated several limiting provisions of the original license agreement, and thus provided Alps with a broader scope of rights. The district court denied the motion to dismiss holding that both the original license agreement and the amended license agreement provided Alps with standing to sue without joining AEI. OWW appealed.

Issue/Holding:

Did the district court properly determine that both Alps' original license agreement and the amended license agreement provided Alps with standing to sue for patent infringement without joining AEI? No, reversed and remanded.

Discussion:

The Federal Circuit held that Alps' original license agreement did not provide Alps with standing to bring a patent infringement suit against OWW because the original license agreement did not convey all substantial rights in the '109 Patent to Alps. The Federal Circuit found that although the original license agreement granted Alps the right to enforce the '109 Patent, the license agreement also limited Alps' rights to develop, make, have made, use, sell, offer to sell, distribute, lease and import products covered by the '109 Patent to only a particular field of use. The Federal Circuit held that because the original license restricted Alps' rights in the '109 Patent to only a particular field, Alps did not have standing to bring a patent infringement suit without naming AEI as a co-plaintiff.

The Federal Circuit also held that the amended license agreement executed after the filing of the motion to dismiss, did not cure the defects in Alps' standing. The Federal Circuit relied on Federal Circuit precedent that *nunc pro tunc* assignments are not sufficient to confer retroactive standing, and will not cure a defect in standing that existed at the time the suit was initiated. Thus, the Federal Circuit held that the amended license agreement did not retroactively provide Alps with standing, which Alps lacked at the time of filing the infringement suit.