

GODO KAISHA IP BRIDGE 1 v. TCL COMMUNICATION TECHNOLOGY HOLDINGS LTD., Appeal No. 2019-2215 (Fed. Cir. August 4, 2020). Before Prost, Newman, and O’Malley. Appealed from D. Del. (Judge Bataillon).

Background:

IP Bridge sued TCL for infringement of its patents related to mobile communication methods. In asserting infringement, IP Bridge relied on the standard compliance methodology approved in *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321 (Fed. Cir. 2010), which held that a district court may rely on an industry standard in analyzing infringement. According to that methodology, IP Bridge argued that the patent claims are essential to the Long-Term Evolution (“LTE”) standard and that TCL’s accused devices comply with the LTE standard, instead of showing that each element in the asserted claims is present in the accused devices. The jury found that TCL was liable for infringement by selling LTE standard-compliant devices. TCL appealed, arguing that IP Bridge could not rely on the standard compliance methodology because *Fujitsu* only approved that methodology in circumstances where the patent owner asks the district court to assess essentiality in the context of claim construction.

Issue/Holding:

Did the district court err in finding infringement based on the methodology approved in *Fujitsu*? No, affirmed.

Discussion:

The Federal Circuit affirmed the district court’s ruling, finding that IP Bridge could rely on the standard compliance methodology set forth in *Fujitsu*. The panel rejected TCL’s argument that, under *Fujitsu*, the court must first make a threshold determination during claim construction that all implementations of the industry standard infringe the claims. Instead, the panel found that the standard-essentiality of the patent claims is a question of fact to be decided by a fact-finder, such as a jury, not a question of law to be decided by a judge during claim construction. As a practical matter, essentiality is a factual inquiry about whether the claim elements read on mandatory portions of a standard. That type of analysis is more closely related to an infringement analysis, which compares claim elements to an accused device, than to a claim construction analysis, which largely relies on intrinsic evidence to determine the scope of the claims.

TCL’s argument to the contrary was based on a single sentence in *Fujitsu* that stated, “[i]f a district court construes the claims and finds that the reach of the claims includes any device that practices a standard, then this can be sufficient for a finding of infringement.” However, *Fujitsu* was decided on summary judgment in a situation with no material facts in dispute, and there was no involvement of a jury for that reason. Thus, the panel found that, when viewed in the context of its procedural history, the passing reference to claim construction in *Fujitsu* was merely an acknowledgement that the first step in any infringement analysis is claim construction. The Federal Circuit added that, even though there are instances in which the question of standard essentiality can be answered on summary judgment, that does not mean that it is necessarily a question of law.