

APPLE INC. v QUALCOMM INCORPORATED, Appeal Nos. 2020-1683, 2020-1763, 2020-1764, 2020-1827 (Fed. Cir. November 10, 2021). Before Newman, Prost, and Stoll. Appealed from PTAB.

Background:

Qualcomm sued Apple for patent infringement in the Southern District of California. Apple petitioned for *Inter Partes* Review of four of the patents and settled the California case. The settlement agreement included licensing of the entirety of Qualcomm's patent portfolio for six years. The PTAB issued final written decisions finding the claims of the patents at issue to be patentable, and Apple now appeals those decisions.

This is the second time Apple has appealed decisions from the PTAB related to the patentability of Qualcomm patents licensed under the settlement agreement. In the previous appeal, *Apple Inc. v. Qualcomm Inc.*, 992 F.3d 1378, 1385 (Fed. Cir. 2021) (hereinafter "*Apple I*"), Qualcomm moved to dismiss based on arguments challenging Apple's standing. In response, Apple argued that (i) ongoing payment obligations that are a condition for certain rights in the license agreement, (ii) the threat that it will be sued for infringement after the expiration of the license agreement, and (iii) the fact that 35 U.S.C. § 315(e) would likely estop it from challenging these patents in the future, are sufficient bases for standing. In *Apple I*, the Federal Circuit found that (a) Apple nowhere argued that any individual patent would affect its ongoing payment obligations for the entirety of Qualcomm's patent portfolio and (b) Apple failed to provide evidence of any litigation preparation by Qualcomm for after the expiration of the license term. For these reasons, the Federal Circuit found that Apple lacked standing and dismissed Apple's appeal in *Apple I*. Apple petitioned for rehearing *en banc*, which was denied.

In the immediate case, the Federal Circuit requested that the parties address standing in their briefs in response to Qualcomm's motion to dismiss for lack of standing. In addition to the arguments presented in *Apple I*, Apple argued that the court in *Apple I* "did not explain why the threat of liability, if Apple ceases the ongoing payment and the agreement is terminated, is not a sufficient injury to support standing."

Issue/Holding:

Is the threat of liability sufficient to support standing? No, dismissed.

Discussion:

On appeal, the Federal Circuit found that the operative facts of the immediate case are the same as those of *Apple I*, and that Apple's new argument was "at the heart" of Apple's denied petition for rehearing *en banc*. For these reasons, the majority of the Panel found that it is bound by *stare decisis*, and dismissed the immediate case for lack of standing.

Judge Newman dissented. In her dissent, Judge Newman stated that "Apple is suffering a concrete present harm by having to pay royalties to be free from a patent it believes to be invalid," and that this alone provides sufficient basis for standing. Judge Newman also stated that Apple's "accused products are likely to continue to be in commerce when the license expires" and "[precedent] recognizes that such concerns provide standing."