

CENTRIPETAL NETWORKS, LLC v. PALO ALTO NETWORKS, INC., Appeal No. 2023-2027 (Fed. Cir. October 22, 2025). Before Moore, Hughes, and Cunningham. Appealed from PTAB.

Background:

Centripetal owns a cybersecurity patent directed to detecting network threats in encrypted communications. Palo Alto petitioned for IPR, which was instituted, and Cisco and Keysight (codefendants) later filed identical petitions and sought joinder.

During the IPR proceeding, Centripetal learned that one of the three administrative patent judges (APJ) owns a small amount of Cisco stock. Centripetal then filed a motion seeking recusal of the entire panel and vacatur of the institution decision. The Board denied this request and granted institution and the joinder requests of Cisco and Keysight. After this institution decision, the APJ who owns the small amount of Cisco stock withdrew. A new panel was formed, and the new panel issued a final written decision holding claims of the patent to be unpatentable. Centripetal appealed.

Issues/Holdings:

1. Did the Board err in issuing a decision based in part on the participation of the APJ who recused himself? No.
2. Did the Board err in its unpatentability determination? Yes, vacated and remanded.

Discussion:

On appeal, the Federal Circuit first addressed whether it had jurisdiction to hear the appeal and held that it could review the appeal because the challenge was not directed to the decision to institute the IPR, which is unappealable, but rather to the interpretation of ethics rules for APJs.

Next, regarding the issue of the APJ's conflict of interest, the Federal Circuit noted that his Cisco stock was quite small, fully disclosed, and within the limits of Office of Government Ethics regulations. The Federal Circuit also noted that Cisco was not even part of the case when the APJ first participated.

Next, the Federal Circuit agreed with the Board that Centripetal's motion was untimely. In particular, the recusal motion was untimely because Centripetal knew of the APJ's public disclosures for more than three months before filing the motion, and Centripetal filed the motion only after receiving unfavorable decisions on both a motion for rehearing and a petition for writ of certiorari.

Finally, the Federal Circuit addressed Centripetal's argument that the Board did not properly consider evidence from a district court case that Cisco had copied Centripetal's patent. Here, the Federal Circuit agreed with Centripetal and reversed the Board's decision that the patent claims were unpatentable as obvious, remanding the case for further consideration.