

ESCAPEX v. GOOGLE, Appeal No. 2024-1201 (Fed. Cir. November 25, 2025). Before Taranto, Stoll, and Stark. Appealed from N.D. Cal (Judge Chhabria).

Background:

EscapeX sued Google in the Western District of Texas, asserting that YouTube Music, which is owned by Google, infringed its patent. Google responded that EscapeX could not have conducted an adequate pre-suit investigation because the accused features were not present in YouTube Music. EscapeX amended its complaint to accuse YouTube Video with Auto-Add instead, but Google pointed out that basic internet searches would have revealed that Auto-Add predated the patent's priority date. EscapeX ignored Google's requests for voluntary dismissal and failed to respond to Google's transfer motion, prompting the Texas District Court to note EscapeX's "troublesome" and "repeated failure to file in a timely manner" before granting transfer to the Northern District of California. Meanwhile, in a separate case, the Southern District of New York found all claims of the patent ineligible under §101, which EscapeX did not appeal.

After Google again requested dismissal, EscapeX filed a purported "joint stipulation of dismissal" falsely representing that Google had agreed each party would bear its own fees. EscapeX's attorney attested that Google's counsel had concurred, but EscapeX had never shared the document with Google. Google demanded immediate withdrawal of the stipulation, and EscapeX complied that same day. The California District Court granted Google's motion for exceptional case fees, awarding ~\$190,000. EscapeX then filed a motion to amend judgement, attaching declarations from its president and an engineer as "newly discovered evidence." The California District Court denied the motion and awarded Google an additional \$63,000 as attorney sanctions, holding EscapeX and its attorneys jointly and severally liable. EscapeX appealed.

Issues/Holdings:

Did the California District Court abuse its discretion in finding the case exceptional, denying the motion to amend judgment, and awarding attorney sanctions? No to all. Affirmed.

Discussion:

The Federal Circuit found the California District Court's exceptional case determination well-supported. EscapeX failed to conduct an adequate pre-suit investigation, as evidenced by complaints that improperly combined features from different Google products and an amended complaint targeting a feature that predated the patent. Despite being put on notice of deficiencies in the complaint through Google's letters and through the Southern District of New York's ruling invalidating the patent under §101, EscapeX continued litigating. The Federal Circuit also rejected EscapeX's argument that deference should be reduced because the case had been pending only two months after transfer, noting this would "perversely suggest that a party could act in an otherwise sanctionable manner for a brief time and suffer no consequences."

On the motion to amend judgment, the declarations were not "newly discovered evidence" because the witnesses were always within EscapeX's control. The attorney sanctions were held proper because EscapeX's attorneys acted recklessly by filing a frivolous motion, and zealous advocacy "is not a license to ignore other duties."

Costs on appeal were awarded to Google.