APPLE INC. v. ITC., Appeal No. 2024-1285 (Fed. Cir. Mar. 19, 2026). Before Stark, Lourie, and Reyna. Appealed from the ITC.

Background:

Apple, in September 2020, launched the Apple Watch Series 6, which included a blood oxygenation sensor. In June 2021, Masimo Corporation filed a complaint with the ITC alleging that Apple violated §337 of the Tariff Act by importing Apple Watch models that utilized blood oxygenation sensing technology covered by two Masimo patents.

An ALJ held a five-day hearing and ruled that Apple violated §337 by infringing two claims of Masimo's patents. Both Apple and Masimo cross-petitioned for full Commission review. The full ITC ruled that Apple violated §337 with respect to four claims. The ITC then issued an order banning the import of infringing Apple Watches. Apple appealed.

Issues / Holdings:

(1) Did Masimo satisfy the two-prong domestic industry requirement of §337? Yes, affirmed.
(2) Did Masimo engage in prosecution laches by filing a continuation 12 years from the earliest priority date of a parent application? No.

Discussion:

Violations of §337 occur when a complainant shows (i) that an accused violator is importing articles that infringe a United States patent and (ii) that there is already or in process of establishment an industry in the United States that relates to those articles. This is the Tariff Act's domestic industry requirement, and it consists of two prongs: the economic prong, which requires that there be an industry in the United States relating to the patent, and the technical prong, which requires that the industry relate to articles protected by the patent.

Apple, on appeal, argued that Masimo did not satisfy the technical prong for several reasons. Apple first argued that the complaint must identify the exact article asserted to prove a domestic industry, and that Masimo had only shown prototypes in its complaint. The court disagreed, and held that ITC rules only require a representative article, and the Commission can conduct its analysis on the full evidentiary record. Apple also argued that the ITC was required to limit its technical prong analysis to the specific prototype models Masimo produced during discovery. The court disagreed, holding that "treating such devices as representative embodiments of the broader domestic industry article they are found to reflect" is acceptable under the Tariff Act and the ITC's rules.

Apple also argued that Masimo did not satisfy the economic prong. This prong may be satisfied by any one of the following bases: "(A) significant investment in plant and equipment; (B) significant employment of labor or capital; or (C) substantial investment in its exploitations, including engineering, research and development, and licensing." The ITC found that Masimo, due to its employees based in the United States, and R&D investments directed to Masimo Watch prototypes, satisfied this prong. Further, investments in non-patent-practicing predecessor prototypes can count toward the economic prong when they are "specifically tailored" to significant components of the patent-practicing article.

Regarding prosecution laches, the Federal Circuit held that a twelve year delay in filing a continuation, absent any evidence of unreasonable or unexplained delay, does not amount to laches. Masimo had shown continuous prosecution activity in this 12 year period. The Federal Circuit thus rejected all of Apple's arguments and affirmed the ITC's holdings.

NON-FEDERAL CIRCUIT HIGHLIGHTS FOR APRIL 1, 2026

A. The USPTO has deployed an AI agent called "Class ACT" (Trademark Classification Agentic Codification Tool) that automates the pre-examination classification of trademark applications, including assignment of international classes, design search codes, and pseudo marks. Recently, this classification process, important for enabling effective prior art and conflicting mark searches, has created a multi-month bottleneck due to high application volume, particularly for applications involving logos, stylized marks, unconventional spelling, or missing classification data. Historically, USPTO employees manually added design search codes, pseudo marks, and international classification to make finding these applications easier. However, the surge in trademark applications caused this process to take several months, delaying examination to some extent. Class ACT reduces this turnaround from months to minutes or seconds, with human review still retained in the workflow. The tool is intended to enhance search efficiency for examining attorneys and practitioners while freeing USPTO personnel to focus on substantive issues.