

# Intellectual Property & Technology Law Journal

Edited by the Technology and Proprietary Rights Group of Weil, Gotshal & Manges LLP

VOLUME 36 • NUMBER 9 • OCTOBER 2024

## Increased Scrutiny by Federal Trade Commission of Orange Book Listings . . . . . 3

The Federal Trade Commission (FTC) has been increasing its scrutiny of pharmaceutical manufacturers' patents listed in the Orange Book, an official publication regulated by the Federal Food, Drug, and Cosmetic Act that lists all of the small molecule (nonbiologic) drug products approved by the Food and Drug Administration. In recent months, the FTC has challenged hundreds of listings and filed amicus briefs in cases to remove disputed patent listings. In this article, attorneys from Katten Muchin Rosenman LLP – Deepra R. Mukerjee, Lance A. Soderstrom, Brian Sodikoff, Matthew M. Holub, and Jillian M. Schurr – address the response from and impact on pharmaceutical companies as a result.

## Is the “Revered Tradition of Amateurism” Over for College Sports? . . . . . 8

In 1984, Supreme Court Justice John Paul Stevens wrote that “[t]he [National Collegiate Athletic Association (NCAA)] plays a critical role in the maintenance of a revered tradition of amateurism in college sports.” To uphold this “revered tradition,” the NCAA needed “ample latitude” to set and enforce its rules without outside interference. For the next three-and-a-half decades, this principle could be relied upon by the NCAA in defense of its rulemaking authority and in response to pressure to rescind compensation restrictions on student-athletes.

Recently, however, court rulings and the passage of state laws have eroded “amateurism” both as a governing principle and as

legal defense upon which the NCAA could rely. As William M. Sullivan, Jr., Jeffrey P. Metzler, Alex G. Anderson and Leighton Watson of Pillsbury Winthrop Shaw Pittman LLP explain in this article, that trend reached an inflection point on May 23, 2024, when the NCAA and the five “power” athletic conferences approved settlement terms to resolve three pending antitrust lawsuits in the U.S. District Court for the Northern District of California.

## Patent Damages in a Globalized Economy . . . . . 14

The recent decision by the U.S. Court of Appeals for the Federal Circuit in *Brumfield v. IBG LLC* made clear what the U.S. Supreme Court hinted at in its *WesternGeco LLC v. ION Geophysical* decision: For any domestic act of infringement, a patent holder may request compensation for international harms.

In this article, Mark Speegle and Thomas Natsume of Baker Botts L.L.P. examine the immediate strategic implications of *Brumfield*, and the potential long-term significance of the case within the evolving landscape of patent damages.

## Plant Patents: The Intersection of Beauty and Legal Safeguards in Horticulture . . . . . 20

In this article, Bree Vculek and Gaby L. Longworth of Sterne, Kessler, Goldstein & Fox PLLC explain the significance of plant patents in the legal landscape and also dissect the interplay with two other pillars of intellectual property protection: utility patents and plant variety protection certificates.

# Intellectual Property & Technology Law Journal

## **Weil, Gotshal & Manges LLP**

767 Fifth Avenue  
New York, NY 10153  
201 Redwood Shores Parkway  
Redwood Shores, CA 94065

## **Editors-in-Chief**

Michael A. Epstein  
Karen Ballack  
John Brockland  
Jeffrey D. Osterman  
Charan J. Sandhu

## **Wolters Kluwer**

### **Group Publisher**

Richard Rubin

### **Managing Editor**

James N. Orefice

### **Consulting Editors/Submissions**

Steven A. Meyerowitz, Esq.  
Victoria Prussen Spears, Esq.  
Meyerowitz Communications Inc.  
26910 Grand Central Parkway, # 18R  
Floral Park, NY 11005  
631.291.5541  
[smeyerowitz@meyerowitzcommunications.com](mailto:smeyerowitz@meyerowitzcommunications.com)  
[vpspears@meyerowitzcommunications.com](mailto:vpspears@meyerowitzcommunications.com)  
<https://www.meyerowitzcommunications.com>

## **Board of Editors**

Jay M. Brown  
*Quest Diagnostics Inc.*  
*San Juan Capistrano, CA*

Wynne S. Carvill  
*Thelen Reid & Priest*  
*San Francisco, CA*

Morgan Chu  
*Irell & Manella*  
*Los Angeles, CA*

Brian C. Cunningham  
*Cooly, Godward & Tatum*  
*Palo Alto, CA*

Eric T. Fingerhut  
*Shaw, Pittman, Potts & Trowbridge*  
*Washington, DC*

David J. Grais  
*Grais & Ellsworth LLP*  
*New York, NY*

James F. Haley Jr.  
*Fish & Neave*  
*New York, NY*

Michael J. Hershman  
*Chairman, DSFX*  
*Annandale, VA*

Tim G. Jaeger  
*Chief Patent Counsel, General Motors Corp.*  
*Detroit, MI*

Ronald L. Johnston  
*Arnold & Porter*  
*Los Angeles, CA*

Robert E. Juceam  
*Fried, Frank, Harris, Shriver & Jacobson*  
*New York, NY*

Jules B. Kroll  
*President, Kroll Associates*  
*New York, NY*

Charles E. Lipsey  
*Finnegan, Henderson, Farabow, Garrett & Dunner Washington, DC*

Lisa B. Martin  
*New York, NY*

Arthur R. Miller  
*Professor, Harvard Law School*  
*Cambridge, MA*

Scott R. Miller  
*Connolly Bove Lodge & Hutz LLP*  
*Los Angeles, CA*

Peter F. Nolan  
*Vice President-Counsel*  
*The Walt Disney Company*  
*Burbank, CA*

Barry D. Rein  
*Pennie & Edmonds*  
*New York, NY*

Donald R. Steinberg  
*Hale and Dorr LLP*  
*Boston, MA*

Paula Stern  
*President, Stern Group*  
*Washington, DC*

Robert C. Weinbaum  
*General Motors Corp.*  
*Detroit, MI*

Margot Gräfin von Westerholt  
*Oppenhoff & Rädler*  
*Munich, Germany*

Vernon M. Winters  
*Sidley Austin LLP*  
*San Francisco, CA*

Howard Zaharoff  
*Morse, Barnes-Brown & Pendleton*  
*Waltham, MA*

## **Editorial Office:**

28 Liberty Street,  
New York, NY 10005  
(212) 771-0600



Copyright © 2024 CCH Incorporated. All Rights Reserved

**Intellectual Property & Technology Law Journal** (ISSN 1041-3952) (USPS P0000-041) is published 10 times a year by Wolters Kluwer, 28 Liberty Street, New York, NY 10005, (212) 771-0600. For customer service, call 800-234-1660. Purchasing reprints: For customized article reprints, please contact *Wright's Media* at 1-877-652-5295 or go to the *Wright's Media* website at [www.wrightsmedia.com](http://www.wrightsmedia.com). Send submissions and editorial correspondence to Steven A. Meyerowitz, Esq., Meyerowitz Communications Inc., 26910 Grand Central Parkway, # 18R, Floral Park, NY 11005.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other professional assistance is required, the services of a competent professional person should be sought.

—From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.

# Patent Damages in a Globalized Economy

By Mark Speegle and Thomas Natsume

The recent decision by the U.S. Court of Appeals for the Federal Circuit in *Brumfield v. IBG LLC*<sup>1</sup> made clear what the U.S. Supreme Court hinted at in its *WesternGeco LLC v. ION Geophysical*<sup>2</sup> decision: For any domestic act of infringement, a patent holder may request compensation for international harms. The Supreme Court had established this rule in *WesternGeco* for the recovery of lost profits in connection with infringement under 35 U.S.C. § 271(f), and the Federal Circuit recognized in *Brumfield* that there is no reason for reasonable royalties and other types of direct infringement to be treated differently.<sup>3</sup>

The purpose of this article is to examine the immediate strategic implications of *Brumfield*, and the potential long-term significance of the case within the evolving landscape of patent damages. The potential expansion of patent damages under *Brumfield* has added significance in the context of current patent litigation trends. Reasonable royalty damages have become the default approach in most cases, especially in cases involving non-practicing entities.<sup>4</sup>

The Supreme Court's decision in *TC Heartland LLC v. Kraft Foods Grp. Brands LLC* – which tightened venue rules for patent infringement actions against domestic defendants – incentivizes patent holders to bring infringement actions against foreign companies.<sup>5</sup> In combination, this means that more patent cases are likely to involve requests for reasonable royalties against multi-national corporations, which will almost always implicate *Brumfield*.

## HISTORY OF EXTRATERRITORIAL PATENT DAMAGES

### Pre-*WesternGeco*

Prior to the Supreme Court's decision in *WesternGeco*, there was an understanding that patent

holders could not recover damages for foreign harm. This is reflected in the Federal Circuit's decision in *Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, where the Federal Circuit rejected a plaintiff's attempt to recover lost profits for worldwide sales.<sup>6</sup>

Specifically, the plaintiff argued that the jury was correct to award damages based on worldwide sales (including foreign sales) of infringing chips.<sup>7</sup> According to the plaintiff, it was entitled to recover lost foreign sales that it “would have made but for [the defendant]’s domestic infringement,” because “it was foreseeable that [the defendant]’s infringement in the United States would cause [the plaintiff] to lose sales in foreign markets.”<sup>8</sup> In support, the plaintiff cited the Federal Circuit’s statement in *Rite-Hite Corp. v. Kelley Co.* that, “[i]f a particular injury was or should have been reasonably foreseeable by an infringing competitor in the relevant market, broadly defined, that injury is generally compensable absent a persuasive reason to the contrary.”<sup>9</sup> The *Power Integration* court, however, rejected the plaintiff’s argument, holding that “[i]t is axiomatic that U.S. patent law does not operate extraterritorially to prohibit infringement abroad,” and that the law provides no “compensation for a defendant’s foreign exploitation of a patented invention, which is not infringement at all.”<sup>10</sup> The court viewed “the entirely extraterritorial production, use, or sale of an invention patented in the United States [as] an independent, intervening act that, under almost all circumstances, cuts off the chain of causation initiated by an act of domestic infringement.”<sup>11</sup>

The Federal Circuit subsequently applied this holding from *Power Integrations* (which was a lost profits case), to reasonable royalties. In *Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd.*, the Court held it is not proper to include chips made and delivered abroad in the royalty base, “unless those chips can fairly be said to have been sold here.”<sup>12</sup> In reaching this conclusion, the Federal Circuit noted that, under *Power Integrations*, it is not sufficient that “the damages-measuring foreign activity have been factually caused, in the ordinary sense, by domestic activity constituting infringement under § 271(a).”<sup>13</sup>

The authors, attorneys with Baker Botts L.L.P., may be contacted at mark.speegle@bakerbotts.com and thomas.natsume@bakerbotts.com, respectively.

Thus, the Federal Circuit reasoned, “[a]lthough all of Marvell’s sales are strongly enough tied to its domestic infringement as a causation matter to have been part of the hypothetical-negotiation agreement,” in the absence of domestic making or using, or of importing, the foreign sales cannot be used as a direct measure of the royalty.<sup>14</sup> The court specifically noted that “[a]s a practical matter, given the ease of finding cross-border causal connections, anything less would make too little of the presumption against extraterritoriality that must inform our application of the patent laws to damages.”<sup>15</sup>

### **WesternGeco Changes Course**

The Supreme Court’s decision in *WesternGeco* strongly departed from the *Power Integrations* line of Federal Circuit cases on extraterritoriality, at least in the context of lost profits for infringement under Section 271(f)(2). Infringement under Section 271(f)(2) provided a unique opportunity for the Supreme Court to assess damages for foreign harms because Section 271(f)(2) specifically prohibits providing components of a patented invention “knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States.”<sup>16</sup> In *WesternGeco*, the plaintiff owned patents for a system used in surveying the ocean floor, and the plaintiff alleged that the defendant infringed these patents under 35 U.S.C. §§ 271(f)(1) and (f)(2) by exporting components for use in a foreign country in a way that would infringe if done in the United States. As a result of this export, the plaintiff alleged that it lost contracts in foreign countries, and a jury agreed, awarding lost profits.

The Federal Circuit initially reversed the award of lost profits in *WesternGeco*, holding that Section 271(f) does not allow recovery for lost foreign sales, but the Supreme Court disagreed. Instead, the Supreme Court concluded that the award of lost profits was appropriate under the second step of the Court’s two-step analysis for determining questions of extraterritoriality.<sup>17</sup>

Skipping the first step about “whether the presumption against extraterritoriality has been rebutted,” the Court focused on “whether the case involves a domestic application of the statute.”<sup>18</sup> And the Court answered this question in the

affirmative – the award of lost profits was a domestic application. “[T]he focus of § 284, in a case involving infringement under § 271(f)(2), is on the act of exporting components from the United States,” which is a domestic act.<sup>19</sup>

Finally, the Court alluded to potential questions about “the extent to which other doctrines, such as proximate cause, could limit or preclude damages in particular cases,” but declined to address these issues.<sup>20</sup>

Justice Gorsuch, joined by Justice Breyer, dissented. While acknowledging Section 284’s provision of “damages adequate to compensate for the infringement,” Justice Gorsuch viewed the foreign lost sales as an improper expansion of U.S. patent rights because using the subject of a U.S. patent to compete with the patentee in a foreign country is not “infringement” under U.S. patent law.<sup>21</sup>

The dissent further hypothesized scenarios where a company makes an infringing prototype microchip in a U.S. laboratory and becomes liable for lost foreign profits because making the prototype enabled foreign competition.<sup>22</sup> In response to these concerns, the majority noted that the dissent “wrongly conflates legal injury with the damages arising from that injury.”<sup>23</sup>

### **Brumfield Confirms New Direction After WesternGeco**

Almost six years after *WesternGeco*, the Federal Circuit was presented in *Brumfield* an opportunity to confirm the scope of the Supreme Court’s rulings. The plaintiff in *Brumfield* sued defendants IBG and Interactive Brokers for infringement of patents on related to graphical user interfaces for commodity trading.<sup>24</sup> On appeal, the parties disputed (inter alia) the district court’s exclusion of a reasonable royalty theory that purported to calculate foreign damages foreseeably caused by the defendant “making” accused software in the United States.<sup>25</sup>

The district court disallowed this approach because it did not view *WesternGeco* as overruling the Federal Circuit’s holding under *Power Integrations*, prohibiting lost profits for foreign sales under Section 271(a).<sup>26</sup> The plaintiff appealed the district court’s conclusion that *WesternGeco* did not apply to damages in question.

The Federal Circuit began its analysis of this issue with a detailed summary of the *WesternGeco* opinion, and concluded that “[n]othing about the

WesternGeco analysis of § 284, the damages provision, or about § 281, the cause-of-action provision, is altered when ‘the infringement’ at issue is infringement under § 271(a) rather than § 271(f).<sup>27</sup>

Thus, the Federal Circuit held that “[t]he *WesternGeco* extraterritoriality framework for damages under § 284 therefore applies to the infringement under § 271(a).<sup>28</sup> Similarly, the Federal Circuit recognized that “the [Supreme] Court’s statutory analysis did not distinguish the forms of damages,” and thus *WesternGeco* also applied to reasonable-royalty awards, not just lost-profits awards.<sup>29</sup>

In addition, taking note of the *WesternGeco*’s suggestion that “other doctrines, such as proximate cause,” may limit damages based on foreign conduct, the Federal Circuit spent several paragraphs addressing how proximate cause may be implicated in foreign damages cases.<sup>30</sup> The Federal Circuit observed that the Supreme Court have defined proximate causation as more than but-for causation, and how it may depend on the nature and foreseeability of the harm, as well as the statutory context.<sup>31</sup> Ultimately, rather than providing answers, the Federal Circuit provided questions that if identified as needing to be addressed in future cases:

- “[W]hether the ‘reasonable, objective foreseeability’ presumptive standard for lost profits is applicable where the damages are for a (non-established) reasonable royalty, whose conceptual foundation is notably different from that of lost profits,” and
- What room is there to consider the “long-recognized general avoidance of extraterritorial reach” in application of proximate cause, without contradicting *WesternGeco*.

After discussing *WesternGeco* and determining that the district court was wrong to rely on *Power Integrations* to exclude the damages in question, the Federal Circuit nevertheless affirmed the district court’s exclusion. The Federal Circuit noted that the foreign damages in question rested on the plaintiff’s allegation of “making” the patented computer readable medium (CRM), but the plaintiff and its expert “have pointedly not focused on making an individual memory-device unit,” and instead, they focused on the underlying software being “designed and made” in the United States.<sup>32</sup>

Because infringement lies in making a particular copy of software on a CRM – not designing software in the abstract – the plaintiff had failed to connect the foreign damages to any domestic act of infringement.<sup>33</sup> Thus, while still confirming the importance of *WesternGeco* and opening the door for foreign-based damages in reasonable royalties, the Federal Circuit nevertheless affirmed the exclusion of such damages in this case.

### **IMMEDIATE APPLICATIONS OF *BRUMFIELD***

Because *Brumfield* allows patentees to potentially include foreign conduct in a reasonable royalty analysis, damages calculations in cases involving multi-national defendants will likely be higher and more complicated. It is easy to envision scenarios for multi-national defendants where a plaintiff would argue that foreign conduct “increases the value of the domestic infringement itself,”<sup>34</sup> such as when products manufactured in the United States are exported within a multi-national defendant’s operations and sold internationally. This means that there may be new disputes over the nexus between foreign activity and domestic acts of alleged infringement.

---

**Because *Brumfield* allows patentees to potentially include foreign conduct in a reasonable royalty analysis, damages calculations in cases involving multi-national defendants will likely be higher and more complicated.**

---

The *Brumfield* decision itself does not establish the outer bounds of what foreign conduct may be fairly said to “increase[] the value of the domestic infringement,” but as noted above, the Federal Circuit emphasized that this question may be governed by the application of proximate cause.<sup>35</sup> And, while there are many unanswered questions about how proximate cause should be applied in this context (discussed more in the following section), the Federal Circuit’s reference to the “reasonable, objective foreseeability” standard in *Rite-Hite* suggests that this standard may be a useful starting point for evaluating the connection between domestic acts of infringement and foreign conduct.<sup>36</sup>

While the treatment of some foreign conduct could be straightforward – like the international sale of infringing products that were manufactured domestically – it is inevitable that plaintiffs and defendants will disagree about when foreign harms and benefits are the “reasonab[ly], objective[ly] foreseeable” results of domestic infringement.

For example, could it be objectively foreseeable for domestic commercial success to increase a multi-national companies’ international brand value? If domestic infringement allows a multi-national company to attract international customers, could sales to that international customer be the result of domestic infringement? Or, could it be objectively foreseeable for the domestic use of infringing software to improve logistics and performance internationally? Resolving such disputes will be highly fact-specific, which means that there will be potential new realms of discovery to consider in cases with multi-national defendants.

Besides directly disputing when foreign conduct can be considered in the reasonable royalty analysis, the new damages considerations under *Brumfield* will bring additional complexities to other common disputes in cases with multi-national defendants.

As one example, currently patentees tend to sue foreign entities and deny any interest in collecting damages from their domestic affiliates, with the goal of avoiding necessary party rules that would implicate strict domestic venue requirements.<sup>37</sup>

However, drawing stark divisions between different corporate affiliates like this may complicate a plaintiff’s later attempt to argue foreign conduct by different affiliates is proximately caused and foreseeable from the acts of domestic infringement.

As another example, the added focus on foreign conduct under *Brumfield* will also likely renew focus on when “sales” and “offers to sell” may constitute domestic acts of infringement.<sup>38</sup>

Lastly, disputes about the parties and scope of the hypothetical negotiation may become more common, as these factors may strongly influence what foreign conduct can be considered under *Brumfield*. Plaintiffs may want to argue that multi-national defendants would negotiate collectively, with a view to the enterprise-level profits and losses, while defendants are more likely to propose entity-specific negotiations.

## **FUTURE CHALLENGES FOLLOWING BRUMFIELD**

As the Federal Circuit noted in *Brumfield*, there is more work to be done in terms of defining the potential application of proximate cause for using foreign conduct in a reasonable royalty analysis. Refining the boundaries of this test will not be straightforward, as there is some inherent contradiction to requiring proximate causation within a reasonable royalty analysis.

Conceptually, when a harm is proximately caused by the tort of patent infringement, damages for the harm should be directly recoverable – without recourse to the hypothetical negotiation of a reasonable royalty. This is how lost profits are handled already. A reasonable royalty is supposed to be an alternative floor for patent infringement damages, which does not require proof of “but for” or proximate cause. Requiring a plaintiff to show proximate cause within the reasonable royalty analysis arguably changes the reasonable royalty from a “floor,” to simply an alternative way to describe ordinary damages.

To illustrate the limitations on using proximate cause in the reasonable royalty context, it is helpful to differentiate between harm to the plaintiff, and benefits to the defendant. Traditionally, the *Georgia-Pacific* analysis for a reasonable royalty is influenced by both harm and benefits,<sup>39</sup> and theoretically (maybe even intuitively) the same proximate cause requirements under *Brumfield* could be applied to both foreign harm and foreign benefits. However, harm to the plaintiff that is proximately caused by infringement is potentially directly recoverable, i.e. as lost profits. Further complicating the situation, a plaintiff is generally not allowed to recover both a reasonable royalty and lost profits for the same act of infringement.<sup>40</sup> So, while proximate cause may be a suitable mechanism to identify foreign benefits to consider in a reasonable royalty, limiting foreign harms in a reasonable royalty to those that are proximately caused by the infringement would likely be overly restrictive (and duplicative of lost profits damages).

At an even higher level, the discussion of proximate cause in *Brumfield* raises a more challenging question: why would proximate causation be used for foreign conduct in a reasonable royalty analysis, but not domestic conduct? Nothing in the Supreme Court’s

extraterritoriality analysis in *WesternGeco* required application of proximate cause, nor is there a clear statutory basis to treat foreign conduct and domestic conduct differently in a reasonable royalty. So, if the types of foreign conduct that may be considered in a reasonable royalty are defined by proximate cause, then there is a reasonable argument that the same test should apply to domestic conduct. Importing causation requirements into the reasonable royalty framework would have far reaching effects, likely making damages cases more complex to present.

Because of the foregoing complications and despite the Federal Circuit's extensive discussion of proximate cause in *Brumfield*, there is reason to doubt whether proximate cause will become a part of reasonable royalty analysis in the future. It is important to recognize that the Federal Circuit cabined its discussion of proximate cause as a question, and with express recognition of the different "conceptual foundation[s]" for lost profit and reasonable royalty damages.<sup>41</sup>

Similarly, the Supreme Court's reference to "the extent to which . . . proximate cause[] could limit or preclude damages" in a footnote of *WesternGeco* made more sense in that context because *WesternGeco* was a lost profits case, not a reasonable royalty case.<sup>42</sup>

And while *Brumfield* suggested that proximate cause and apportionment could be dual requirements for reasonable royalty awards,<sup>43</sup> there would be substantial duplication between the doctrines of apportionment and proximate cause in a reasonable royalty – apportionment already establishes when certain benefits and outcomes can or cannot be considered for purposes of calculating a reasonable royalty.<sup>44</sup> If proximate cause does become a driving force within the calculation of reasonable royalties, it is fair to wonder whether apportionment would still have a separate role in reasonable royalty analysis, or would showings of proximate cause swallow the current apportionment requirements.

Defining the contours of *Brumfield* will not only be important for domestic patent disputes; *Brumfield* could have a significant role in global disputes over standard essential patents. The expansion of reasonable royalty damages under *Brumfield* could add fuel to the growing global competition between jurisdictions to establish world-wide royalties for standard essential patents, which has already fueled

an increase in competing anti-suit injunctions and anti-anti-suit injunctions.<sup>45</sup>

Using *Brumfield*, patent holders may argue that the global impact from practicing a standard essential patent should be considered, which (if successful, despite obvious apportionment concerns) could theoretically open the door for U.S. juries to establish worldwide royalty rates for standard essential patents. Opening the door for global royalties to be decided by a jury would only increase the importance of selecting a favorable jurisdiction for these disputes, both for patent holders and for standard implementers.

## CONCLUSION

The Federal Circuit's decision in *Brumfield* is remarkable in three ways: for its structure, for its immediate strategic impact, and for its potential to shape future developments in patent law.

First, structurally, it is remarkable that the Federal Circuit went out of its way in *Brumfield* to announce an expansion of patent damages for foreign conduct, in a decision upholding the district court's exclusion of such expanded damages.

---

***Brumfield* will not be the last word on these subjects and it will be important for all patent practitioners to watch closely as courts across the nation engage with this new precedent.**

---

Second, the potential under *Brumfield* to include foreign conduct in the calculation of a reasonable royalty has strategic implications, especially in cases against multi-national defendants – which are becoming more common.

Third, the suggestion in *Brumfield* that proximate cause may become part of reasonable royalty analysis has its own implications, as this could dramatically change how reasonable royalties are approached in patent damages.

For these reasons, it is clear that *Brumfield* will not be the last word on these subjects and it will be important for all patent practitioners to watch closely as courts across the nation engage with this new precedent.

## Notes

1. *Brumfield*, Tr. for *Ascent Tr. v. IBG LLC*, 97 F.4th 854 (Fed. Cir. 2024).

2. 585 U.S. 407 (2018).
3. *Brumfield*, 97 F.4th at 871.
4. *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1548 (Fed. Cir.1995) (“[I]f the patentee is not selling a product, by definition there can be no lost profits.”); *Golden Bridge Tech., Inc. v. Apple Inc.*, No. 2:12-CV-4014-ODW, 2012 WL 3999854, at \*3 (C.D. Cal. Sept. 11, 2012).
5. 581 U.S. 258, 270 (2017) (“As applied to domestic corporations, ‘reside[nce]’ in § 1400(b) [(“patent venue statute”)] refers only to the State of incorporation.”).
6. 711 F.3d 1348 (Fed. Cir. 2013).
7. *Id.* at 1371.
8. *Id.* at 1370-71.
9. *Rite-Hite*, 56 F.3d at 1546.
10. *Power Integrations*, 711 F.3d at 1370-71.
11. *Id.* at 1371-72.
12. *Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd.*, 807 F.3d 1283, 1305-06 (Fed. Cir. 2015).
13. *Id.*
14. *Id.*
15. *Id.*
16. 35 U.S.C. § 271(f)(2).
17. 585 U.S. at 413.
18. *Id.* at 413-14 (quoting *RJR Nabisco, Inc. v. Eur. Cmty.*, 579 U.S. 325, 337 (2016)).
19. *Id.* at 414-15.
20. *Id.* at 417 n.3.
21. *Id.* at 418.
22. *Id.* at 423-24.
23. *Id.* at 417.
24. *Brumfield*, 97 F.4th at 859.
25. *Id.* at 865-66.
26. *Id.* at 866-67.
27. *Id.* at 875.
28. *Id.*
29. *Id.* at 876-77.
30. *Id.* at 877-878.
31. *Id.* at 877-78.
32. *Id.* at 879-80.
33. *Id.* at 880.
34. *Id.* at 877.
35. *Id.* at 877-78.
36. *Id.* at 877.
37. Fed. R. Civ. P. 19; see also *In re Taasera Licensing LLC, Pat. Litig.*, No. 2:22-CV-00303-JRG, 2023 WL 2716548, at \*4 (E.D. Tex. Mar. 29, 2023) (declining to find the U.S. subsidiary a necessary party merely because the subsidiary controls all U.S. sales).
38. See e.g., *Litecubes, LLC v. N. Light Prod., Inc.*, 523 F.3d 1353, 1369-70 (Fed. Cir. 2008).
39. *Georgia-Pac. Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970) (“8. The established profitability of the product made under the patent; its commercial success; and its current popularity. 9. The utility and advantages of the patent property over the old modes or devices, if any, that had been used for working out similar results. 10. The nature of the patented invention; the character of the commercial embodiment of it as owned and produced by the licensor; and the benefits to those who have used the invention. 11. The extent to which the infringer has made use of the invention; and any evidence probative of the value of that use.”).
40. *Asetek Danmark A/S v. CMI USA Inc.*, 852 F.3d 1352, 1362 (Fed. Cir. 2017) (citing *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1164 (Fed. Cir. 1991)).
41. *Brumfield*, 97 F.4th at 878.
42. 585 U.S. 407, 417 n.3 (2018).
43. *Brumfield*, 97 F.4th at 877, 878.
44. See e.g., *VLSI Tech. LLC v. Intel Corp.*, 87 F.4th 1332, 1345 (Fed. Cir. 2023) (“Any reasonable royalty must seek to measure the value of the patented technology – it must be ‘apportion[ed]’ to that value – by separating out and excluding other value in economic products or practices.”).
45. E.g. *Ericsson Inc. v. Samsung Elecs. Co.*, No. 2:20-CV-00380-JRG, 2021 WL 89980 (E.D. Tex. Jan. 11, 2021) (granting plaintiff’s request to enjoin defendant from enforcing a Chinese anti-suit injunction that would have prohibited plaintiff from pursuing claims on certain U.S. patents in the United States).