

INTELLECTUAL PROPERTY LITIGATION NEWSLETTER

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Case Highlights

Unilateral Assertion of a Royalty Rate in Prior Lump-Sum Settlement Licenses Does Not Support Damages Opinion Claiming Industry Acceptance of That Royalty Rate

EcoFactor Inc. v. Google LLC, No. 23-1101 (Fed. Cir. May 21, 2025) (en banc) (appeal from W.D. Tex.).

The Federal Circuit (en banc) issued a remand for a new trial on damages, finding that the district court made a prejudicial error in not excluding the reasonable royalty opinion of the plaintiff's damages expert. The Federal Circuit found that the damages opinion, which relied on licenses to show industry acceptance of a particular per unit royalty rate, was "not based upon sufficient facts or data." In particular, the relied-on licenses were lump-sum settlement licenses that merely stated in the "whereas" recital that the plaintiff (the licensor) believed that the rate is a reasonable royalty. The Federal Circuit concluded that "the unilateral assertion in each license's 'whereas' recital" does not evidence, contrary to the expert's opinion, the licensee's agreement to pay that royalty rate. Dissenting, Judge Jimmie V. Reyna, joined by Judge Leonard P. Stark, expressed his concern that the majority improperly exceeded the scope of the appellate review by engaging in fact finding and transforming the review into a case of contract interpretation.

IPR Estoppel Applies Only to Invalidity Grounds, Not the Same Prior Art

Ingenico Inc. v. IOENGINE LLC, No. 23-1367 (Fed. Cir. May 7, 2025) (Judge Hughes, joined by Judges Dyk and Prost) (appeal from D. Del.).

The Federal Circuit for the first time interpreted the term "ground" used in the IPR estoppel statute (35 U.S.C. § 315(e)(2)), resolving a split among district courts. The Federal Circuit found that "IPR estoppel does not preclude a petitioner from asserting the same prior art raised in an IPR in district court, but rather precludes a petitioner from asserting grounds that were raised or reasonably could have been raised during an IPR." Accordingly, the Federal Circuit held that "IPR estoppel applies only to a petitioner's assertions in district court that the claimed invention is invalid under 35 U.S.C. §§ 102 or 103 because it was patented or described in a printed publication (or would have been obvious only on the basis of prior art patents or printed publications)." Further, IPR estoppel does not apply to different grounds that could not have been raised during an IPR, such as asserting that a claimed invention was "known or used by others, on sale, or in public use" in district court.

Alston & Bird: A Powerhouse in IP Law

For the 14th consecutive year, Alston & Bird has been recognized as a global leader in patent law by *Intellectual Asset Management* in its annual *IAM Patent 1000 – The World's Leading Patent Professionals*. The report included 23 individual lawyer and 4 practice rankings for the Alston & Bird team across the U.S.

Other Notable Cases

A Mere Consumer Is Not Statutorily Entitled to Oppose a Trademark Registration as Generic, Descriptive, or Fraudulent Under the Lanham Act

Curtin v. United Trademark Holdings Inc., No. 23-2140 (Fed. Cir. May 22, 2025) (Judge Hughes, joined by Judges Taranto and Barnett (sitting by designation)) (appeal from TTAB).

The Federal Circuit affirmed the Trademark Trial and Appeal Board's (TTAB) determination that the appellant, a consumer, was not statutorily entitled to oppose a trademark registration as generic, descriptive, and fraudulent under 15 U.S.C. § 1063 of the Lanham Act. As a threshold matter, the Federal Circuit found that the "zone-of-interest" test framed in *Lexmark International Inc. v. Static Control Components Inc.*, 572 U.S. 118 (2014), applied. The Federal Circuit then agreed with the TTAB's conclusions that: (1) as a mere consumer that buys goods or services, the appellant lacked commercial interest, "meaning actual or potential competitors or other offerors of goods or services (using sufficiently similar marks)," which needs to be shown to fall within the zone of interest; and (2) the appellant failed to establish proximate causation because the evidence submitted to show alleged harm was too "limited" and "too remote."

A Generic French Word for Clothing Used in Clothing-Related Retail Services Denied Trademark Under the Doctrine of Foreign Equivalents

In re Vetements Group AG, No. 23-2050 (Fed. Cir. May 21, 2025) (Judge Wallach, joined by Judges Prost and Chen) (appeal from TTAB).

The Federal Circuit affirmed the TTAB's determination that "VETEMENTS" is subject to the doctrine of foreign equivalents because the ordinary American purchaser is likely to stop and translate the marks into English, particularly because they are the French word for clothing and are used in connection with pieces of clothing and clothing-related retail services." In particular, the Federal Circuit found that it was sufficient to demonstrate that an "appreciable" number of Americans could translate the term from French into English and declined to "precisely or rigidly define the ordinary American purchaser's language skills." The Federal Circuit noted that, under the doctrine of foreign equivalents, it is well recognized that "words from modern languages are generally translated into English." Accordingly, under 15 U.S.C. § 1052(e)(1), the mark "VETEMENTS" was barred from registration because it was generic, or in the alternative, merely descriptive without acquired distinctiveness.

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