

No. 20-_____

**In the
Supreme Court of the United States**

CHEETAH OMNI LLC,

Petitioner,

v.

AT&T SERVICES, INC,
CIENA CORPORATION, and CIENA
COMMUNICATIONS, INC.,

Respondents.

**On Petition for Writ of Certiorari to the
United States Court of Appeals for the Federal Circuit**

APPENDIX

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June 29, 2020

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**United States Court of Appeals
for the Federal Circuit**

CHEETAH OMNI LLC,
Plaintiff-Appellant

v.

**AT&T SERVICES, INC., A DELAWARE
CORPORATION, CIENA CORPORATION, CIENA
COMMUNICATIONS, INC.,**
Defendants-Appellees

2019-1264

Appeal from the United States District Court for the Northern District of Texas in No. 3:17-cv-01993-K, Judge Ed Kinkeade.

Decided: February 6, 2020

THOMAS A. LEWRY, Brooks Kushman PC, Southfield, MI, argued for plaintiff-appellant. Also represented by DAVID C. BERRY, CHRISTOPHER C. SMITH.

L. NORWOOD JAMESON, Duane Morris LLP, Atlanta, GA, argued for all defendants-appellees. Defendant-appellee AT&T Services, Inc. also represented by MATTHEW YUNGWIRTH, ALISON HADDOCK HUTTON; CHRISTOPHER JOSEPH TYSON, Washington, DC.

MATTHEW J. MOORE, Latham & Watkins LLP, Washington, DC, for defendants-appellees Ciena Corporation, Ciena Communications, Inc. Also represented by GABRIEL BELL, ABIGAIL A. RIVES; CLEMENT J. NAPLES, New York, NY.

Before LOURIE, BRYSON, and CHEN, *Circuit Judges*.

LOURIE, *Circuit Judge*.

Cheetah Omni LLC (“Cheetah”) appeals from the judgment of the U.S. District Court for the Northern District of Texas dismissing its infringement claims against appellees AT&T Services, Inc. (“AT&T”) and Ciena Communications, Inc. and Ciena Corporation (collectively, “Ciena”) with prejudice. Judgment, *Cheetah Omni LLC v. AT&T Servs., Inc.*, No. 3:17-cv-01993-K (N.D. Tex. Oct. 23, 2018), ECF No. 130. For the reasons detailed below, we affirm.

BACKGROUND

Cheetah owns U.S. Patent 7,522,836 (“the ’836 patent”) directed to optical communication networks. AT&T uses a system of hardware and software components in its AT&T fiber optic communication networks.

In the district court, Cheetah asserted that AT&T infringes the ’836 patent by making, using, offering for sale, selling, or importing its fiber equipment and services. In response to the allegations, Ciena moved to intervene in the suit because it manufactures and supplies certain components for AT&T’s fiber optic systems and because those components formed the basis of some of Cheetah’s infringement allegations. The court granted Ciena’s motion to intervene.

Ciena and AT&T then moved for summary judgment that Cheetah’s infringement claim was barred by agreements settling previous litigation. Specifically, Cheetah had brought suit against Ciena and Fujitsu Network

Communications (“Fujitsu”) and executed two license agreements—one with Ciena and one with Fujitsu. In their motion, Ciena and AT&T argued that the two prior licenses included implicit licenses to the ’836 patent covering all of the accused products. The district court agreed, granting summary judgment and dismissing the suit with prejudice. Memorandum Opinion and Order, *Cheetah Omni LLC v. AT&T Servs., Inc.*, No. 3:17-cv-01993-K (N.D. Tex. Oct. 23, 2018), ECF No. 129 (“*Decision*”).

Cheetah appealed, and we have jurisdiction under 28 U.S.C. § 1295(a)(1).

DISCUSSION

We review a grant of summary judgment under the law of the regional circuit, which in this case is the Fifth Circuit. See *Charles Mach. Works, Inc. v. Vermeer Mfg. Co.*, 723 F.3d 1376, 1378 (Fed. Cir. 2013) (citing *Grober v. Mako Prods., Inc.*, 686 F.3d 1335, 1344 (Fed. Cir. 2012)). The Fifth Circuit reviews a grant of “summary judgment *de novo*.” *Patel v. Texas Tech Univ.*, 941 F.3d 743, 747 (5th Cir. 2019) (citing *Ezell v. Kan. City S. Ry. Co.*, 866 F.3d 294, 297 (5th Cir. 2017)).

Summary judgment is appropriate when the moving party demonstrates that “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322–23 (1986). We construe the evidence in the light most favorable to the nonmovant and draw all reasonable inferences in that party’s favor. *R & L Inv. Prop., LLC v. Hamm*, 715 F.3d 145, 149 (5th Cir. 2013) (quoting *Griffin v. United Parcel Serv., Inc.*, 661 F.3d 216, 221 (5th Cir. 2011)). “Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

The Fifth Circuit “review[s] the district court’s legal conclusions, including its interpretation of contracts, *de novo*.” *Texaco Expl. & Prod., Inc. v. AmClyde Engineered Prods. Co.*, 448 F.3d 760, 777 (5th Cir. 2006) (citing *Taita Chem. Co. v. Westlake Styrene Corp.*, 246 F.3d 377, 385 (5th Cir. 2001) and *Nolan v. Golden Rule Ins. Co.*, 171 F.3d 990, 992 (5th Cir. 1999)).

To frame the parties’ dispute, a review of the previous litigation and resulting settlements is necessary. In 2011, Cheetah brought suit against, *inter alia*, Ciena and Fujitsu, accusing certain Reconfigurable Optical Add/Drop Multiplexer (“ROADM”) products of infringing, *inter alia*, U.S. Patent 7,339,714 (“the ’714 patent”). See Complaint, *Cheetah Omni LLC v. Alcatel-Lucent USA Inc.*, No. 6:11-cv-00390-TBD (E.D. Tex. July 29, 2011), ECF No. 1. Cheetah settled the ROADM case with both Ciena and Fujitsu, executing two separate agreements with each party: a covenant not to sue and a license. Relevant here are the license agreements (“licenses”).

The licenses granted to Ciena and Fujitsu do not differ in any material respect for purposes of the present appeal, so we treat the Ciena license as representative. Cheetah granted to Ciena “a perpetual, irrevocable, worldwide, non-exclusive, fully paid-up license under the Licensed Patents to make, have made (directly or indirectly and solely for Ciena or its Affiliates), use, offer to sell, sell, and import and export the Licensed Products.” J.A. 411. The agreement defined “Licensed Patents” to mean

(i) the Patents-in-Suit, and (ii) all parents, provisionals, substitutes, renewals, continuations, continuations-in-part, divisionals, foreign counterparts, reissues, oppositions, continued examinations, reexaminations, and extensions of the Patents-in-Suit owned by, filed by, assigned to or otherwise controlled by or enforceable by Cheetah or any of its Affiliates or its or their respective successors in

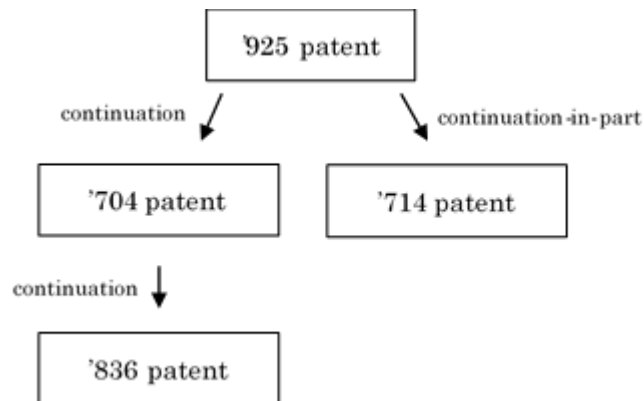
interest at any time as of, prior to, on or after the Effective Date, whether filed before, on or after the Effective Date.

J.A. 410. The “Effective Date” was defined as “the earliest date upon which all Parties ha[d] signed th[e] Agreement or identical counterparts thereof.” J.A. 411. The “Licensed Products” were defined as

(i) all past, present or future Ciena or Ciena Affiliate products, services or combinations, components, or systems of products or services, and any modifications or enhancements thereof, that could by themselves or in combination with other products, services, components or systems, be alleged to infringe at least one claim of at least one Licensed Patent in the absence of a license under this Agreement and (ii) all Ciena products identified or accused by Cheetah of infringing any claim of any of the Patents-in-Suit in its complaint, amended complaint, infringement contentions, or otherwise.

J.A. 410.

Key to the parties’ dispute is the relationship between the ’836 and ’714 patents. The ’714 patent is a continuation-in-part of U.S. Patent 6,943,925 (“the ’925 patent”). The ’836 patent is a continuation of U.S. Patent 7,145,704 (“the ’704 patent”), which is also a continuation of the ’925 patent. These relationships are depicted below:



Because the '714 patent was asserted in the ROADM litigation, it is necessarily included in the Ciena license. By its terms, the Ciena license also includes “all parents” to the patents in the ROADM litigation, and, as the parent to the '714 patent, the '925 patent is likewise an expressly licensed patent under the agreement, even if not enumerated. The question we are presented with here, however, is whether the '836 patent, a continuation of a continuation of the '925 patent, *i.e.*, its grandchild, is impliedly licensed under the Ciena license. In personal terms, because the uncle and grandparent of the '836 patent, are licensed, is the '836 patent also licensed?

Relying on our holding in *General Protecht Group Inc. v. Leviton Manufacturing Co.*, 651 F.3d 1355, 1361 (Fed. Cir. 2011), the district court determined that the '836 patent was impliedly licensed as the grandchild of the expressly licensed '925 patent. *Decision*, slip op. at 10. The district court reasoned that an express license of the '925 patent included an implied license for its continuations “because those continuations disclose the same inventions as the licensed patent.” *Id.* We agree.

Cheetah's primary argument to the contrary is that the parties did not intend that the licenses extend to the '836 patent. In settling the ROADM litigation, Ciena and Fujitsu each executed a license and a separate covenant not to sue, and the covenants not to sue expressly included the '836 patent, while the licenses did not. Further, Fujitsu was aware of the '836 patent due to its participation and settlement of a previous litigation where the '836 patent was at issue. According to Cheetah, all parties were aware of the '836 patent, and if they had intended to include the '836 patent, the patent would have been expressly named in the license agreements.

Cheetah also argues that the '836 patent covers an invention different from the inventions claimed in the patents at issue in the ROADM litigation. Cheetah contends

that the '836 patent claims are directed to a system that includes ROADM technology in combination with other components, while the ROADM patents cover only ROADM functionality. Cheetah further argues that the accused AT&T products are not "Licensed Products" within the scope of the licenses.

AT&T and Ciena respond that neither license agreement expressly lists all included patents by number and, instead, only lists broad categories of patents. AT&T and Ciena also note that the parties *did exclude* other patents explicitly: the Ciena covenant recited a list of medical patents the parties expressly excluded from the agreement. Thus, Ciena argues, if the parties had mutually intended to exclude the '836 patent, they would have done so explicitly.

As for Cheetah's other arguments, AT&T and Ciena maintain that the licenses are not limited to any particular claims of the patents from the ROADM litigation and, by including continuations, contemplate "the entirety of the disclosed inventions and *any* claims that could issue from such disclosed inventions." AT&T and Ciena Br. 30. AT&T and Ciena also submit that the accused AT&T system is a "Licensed Product" within the scope of the licenses because the definition of "Licensed Product" extends to Ciena and Fujitsu products in combination with other products. In the alternative, AT&T and Ciena argue that Cheetah's claims are also barred by the covenants not to sue.

We agree with the district court, and with AT&T and Ciena, that the licenses include an implied license to the '836 patent that extends to the accused AT&T systems. Legal estoppel prevents licensors from derogating or detracting from definable license rights granted to licensees for valuable consideration. *AMP Inc. v. United States*, 389 F.2d 448, 452 (Ct. Cl. 1968). In *TransCore*, we interpreted legal estoppel to provide an implied license to a related, later-issued patent that was broader than and necessary to

practice an expressly licensed patent. *TransCore, LP v. Elec. Transaction Consultants Corp.*, 563 F.3d 1271, 1279 (Fed. Cir. 2009).

Two years later, we considered whether an express license to a patent includes an implied license to its continuations, even when the continuation claims are narrower than previously asserted claims. *General Protecht*, 651 F.3d at 1361. Relying on *TransCore*, we answered that question in the affirmative: “Where . . . continuations issue from parent patents that previously have been licensed as to certain products, it may be presumed that, absent a clear indication of mutual intent to the contrary, those products are impliedly licensed under the continuations as well.” *Id.* We further explained that parties could contract around the presumption of an implied license if it did not “reflect their intentions” but that it was the parties’ burden to “make such intent clear in the license.” *Id.*

In *General Protecht*, the continuation patent at issue had not yet issued at the time of the parties’ express license of the parent patent. Cheetah attempts to cabin *General Protecht*’s holding to express licenses executed before the issuance of a continuation patent. We decline to read *General Protecht* so narrowly. The timing of patent issuance is not material to the policy rationale underpinning our implied license presumption. *See TransCore*, 563 F.3d at 1279. Moreover, if anything, it is *easier* for the parties to clearly identify an already-issued continuation and expressly exclude it from a license agreement.

Applying the presumption established in *General Protecht* provides a simple and clear resolution in this case. Because the ’925 patent is an expressly licensed patent in the licenses, the licenses also include an implied license to a continuation of its continuation, the ’836 patent. To the extent Cheetah argues that the ’836 patent claims cover a different invention from or are narrower than the ’925 patent claims, the answer is that the same inventive subject

matter was disclosed in the expressly licensed patents. If Cheetah did not intend its license “to extend to claims presented in continuation patents, it had an obligation to make that clear.” *General Protecht*, 651 F.3d at 1361. The expectation is properly placed on the patent owner, Cheetah, to specifically carve out continuation patents that it intended to exclude because Cheetah has the most information about its total patent portfolio. If Cheetah had a contrary intent, it could have made its intent clear in the agreement as a matter of contract drafting.

Cheetah attempts to evade the presumption that a license to a patent includes a license to its continuation by arguing that the parties had knowledge of the ’836 patent and would have named it expressly if they mutually intended that it be included. The naming of certain patents expressly, however, does not evince a clear mutual intent to exclude other patents falling within the general definitions in an agreement. That is especially true here where the licenses list broad categories of patents without reciting their numbers individually.

Cheetah finally argues that the AT&T products accused in this litigation are not “Licensed Products” within the scope of the licenses. But the Ciena license defines “Licensed Products” as “all past, present, or future Ciena or Ciena Affiliate products . . . that could by themselves or *in combination with other products, services, components* or systems, be alleged to infringe at least one claim of at least one Licensed Patent.” J.A. 410 (emphasis added). The accused AT&T systems combine Ciena and Fujitsu products with other components and are thus Licensed Products within the meaning of the licenses.

Because the licenses extend to both the ’836 patent and the AT&T products accused in this litigation, the district court properly granted summary judgment for AT&T and Ciena and dismissed the infringement suit. And because we have concluded that AT&T’s products are licensed

under the license agreement, we need not consider the scope of the covenant not to sue.

CONCLUSION

We have considered Cheetah's remaining arguments but find them unpersuasive. Accordingly, the judgment of the district court is affirmed.

AFFIRMED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

CHEETAH OMNI, LLC	§	
	§	
Plaintiff,	§	
v.	§	CIVIL ACTION NO.
	§	3:17-CV-1993-K
AT&T SERVICES, INC.,	§	
	§	
Defendant,	§	
	§	
and	§	
	§	
CIENA COMMUNICATIONS, INC.	§	
and CIENA CORPORATION,	§	
	§	
Intervening Defendants.	§	

MEMORANDUM OPINION AND ORDER

Before the Court is the Defendant’s and Intervenor Defendants’ Motion for Summary Judgment (Doc. No. 87). After careful consideration of the parties’ briefing on the motion, the relevant law, the pleadings, and the evidence, the Court **GRANTS** the Motion.

A. Background

This is a patent infringement case in which the Plaintiff, Cheetah OMNI, Inc. (“Cheetah”) alleges that the Defendant, AT&T Services, Inc. (“AT&T”) has infringed U.S. patent 7,522,836 (the “836 patent”) by making, using, offering for sale, selling, or importing certain fiber optic communications equipment and services.

App.12a

CONFIDENTIAL MATERIAL OMITTED

After this suit was filed, Ciena Communications, Inc. and Ciena Corporation (collectively “Ciena”), moved the Court to allow Ciena to intervene in this case as Intervenor Defendants. Ciena has an interest in this lawsuit. Ciena is the manufacturer of certain components that are used in AT&T’s fiber optic systems, and inclusion of those Ciena components in AT&T’s fiber optic systems is part of the basis for Cheetah’s assertion that AT&T’s fiber optic equipment infringes the ‘836 patent. The Court granted Ciena’s motion to intervene.

B. The Motion

AT&T and Ciena (collectively the “Defendants”) have moved the Court for summary judgment in this matter. In the Motion, the Defendants argue that, in previous litigation, Cheetah agreed not to bring the patent infringement claims that it has asserted in this case.

The previous litigation was a patent infringement suit brought by Cheetah against a number of defendants, including Ciena, in which Cheetah alleged that the defendant’s sale of products having a ROADM functionality infringed certain patents owned by Cheetah. This case was filed in the Eastern District of Texas and was captioned *Cheetah Omni LLC v. Alcatel-Lucent USA, et al.*, No. 6:11-CV-390. Cheetah and Ciena settled this case. As part of this settlement, Cheetah licensed certain patents to Ciena and granted Ciena a covenant not to sue. In return, Ciena paid Cheetah

That previous litigation also involved assertions of patent infringement against Fujitsu Network Communications (“Fujitsu”). Fujitsu is not a party to this lawsuit, but the resolution of the case against Fujitsu is important because some of the components used in the accused devices in this case, i.e. AT&T’s fiber optic systems, use Fujitsu components in place of Ciena components. Fujitsu also settled the previous litigation with Cheetah, which, like the Ciena settlement, including a licensing agreement, a covenant not to sue, and payment for the license and covenant.

The Defendants argue that Cheetah agreed not to bring the current lawsuit against AT&T when it entered into the Ciena and Fujitsu settlement agreements, and because of this the Defendants are entitled to summary judgment on all claims brought by Cheetah in this case. The Defendants argue that both the licensing agreements and the covenants not to sue bar Cheetah’s claims.

According to the Defendants, the licensing agreements bar Cheetah from bringing the claims of this case against AT&T because the licensing agreements grant licenses not only to Ciena and Fujitsu, but also to Ciena’s and Fujitsu’s downstream customers who use licensed Ciena or Fujitsu components in their products. AT&T, a downstream customer of Ciena and Fujitsu, is therefore protected from lawsuits based on its use of Ciena’s and Fujitsu’s products.

The Defendants also assert that the accused devices that form the basis of Cheetah’s claim in this lawsuit are licensed products under the licensing agreements, even though the licensing agreements do not specifically list the patent in suit in this

case as a licensed patent. The Defendants assert that the definition of licensed patents in the licensing agreements is either broad enough to be encompassed by the agreements or the '836 patent is implicitly licensed by the agreements.

The Defendants assert that the Ciena and Fujitsu covenants not to sue also bar Cheetah's claims in this lawsuit. The Defendants assert that the covenants not to sue explicitly include suits based on infringement of the '836 patent, that the definition of licensed products in the covenants includes the accused devices in this case, and that the covenants protect downstream customers like AT&T.

Cheetah responds that neither the licensing agreements nor the covenants not to sue are agreements in which Cheetah agreed not bring the claims that it has brought against AT&T in this case, and for this reason the Court should not grant summary judgment.

Regarding the licensing agreements, Cheetah argues that these are not relevant to the claims brought in this case because the definition of licensed patents in the licensing agreements does not include the '836 patent. According to Cheetah, the '836 patent is not expressly listed as a licensed patent, and it is not implicitly licensed. Cheetah argues that since the previous litigation was limited to allegations of infringement related to ROADM devices, the licensing agreements are also appropriately limited to ROADMs. In this case, Cheetah is not bringing an infringement law suit based on AT&T infringing one of Cheetah's ROADM patents. Instead, Cheetah is bringing this lawsuit against AT&T based on AT&T's alleged

infringement of the '836 patent, which claims fiber optic systems and not ROADM devices. According to Cheetah, the Defendants are improperly applying the licensing agreements to the infringement claims in this case because the accused fiber optic systems use a Ciena or Fujitsu ROADM device as one component of the accused fiber optic systems.

Cheetah also argues that the Court should not grant summary judgment to the Defendants based on the covenants not to sue. According to Cheetah, while the '836 patent is explicitly included in the covenants not to sue, the accused devices in this case are not. According to Cheetah the covenants not to sue are limited so that they only address claims in which the accused device is a Ciena or Fujitsu product or a combination of Ciena or Fujitsu products. They do not prevent Cheetah from asserting patent infringement claims against a Ciena or Fujitsu customer who buys a Ciena or Fujitsu product and then combines the product with other components to create a new infringing device or system.

C. Relevant Law

I. Summary Judgment

Summary judgment is proper under Federal Rule of Civil Procedure 56 if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(a). A factual dispute is genuine if the evidence is sufficient that a reasonable trier of fact could return a verdict for the nonmoving party. *Crowe v. Henry*, 115 F.3d 294, 296 (5th Cir. 1997). If the

moving party seeks summary judgment as to an opponent's claims or defenses, the "moving party bears the initial burden of identifying those portions of the pleadings and discovery in the record that it believes demonstrate the absence of a genuine issue of material fact, but is not required to negate elements of the nonmoving party's case." *Lynch Props., Inc. v. Potomac Ins. Co. of Ill.*, 140 F.3d 622, 625 (5th Cir. 1998). Once the moving party meets this burden, the non-moving party must set forth specific facts showing a genuine issue for trial. *Little v Liquid Air Corp.*, 37 F.3d 1069, 1075 (5th Cir. 1994) (en banc). When a party bears the burden of proof of an essential element and that party fails to make a showing sufficient to establish the existence of the essential element there is no dispute of material fact regarding the essential element and it is proper to grant summary judgment against the party with the burden of proof. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986).

D. Analysis

I. The Licensing Agreements

The Court begins with the Defendants' argument that summary judgment in this case is warranted because the Ciena and Fujitsu licensing agreements bar Cheetah's claims against AT&T in this case. The parties have identified a number of issues that must be resolved to address the question of whether the licensing agreements bar Cheetah's claims in this suit. These include whether the patent in suit, the '836 patent, is a licensed patent under the agreements and whether the accused devices in this suit are licensed products under the licensing agreements. All of these issues are issues of

contract construction. Issues of contract construction are determined as a matter of law. *El Paso Field Servs., L.P. v. MasTec N. Am., Inc.*, 389 S.W.3d 802, 805-06 (Tex. 2012).

The Court first addresses the issue of whether or not the ‘836 patent is a licensed patent under the licensing agreements. The Defendants acknowledge that the ‘836 patent is not an expressly licensed patent in either licensing agreement, but argue that the ‘836 patent is implicitly licensed in both agreements because of its relationship to an explicitly licensed patent. The Plaintiff argues that because the parties to the agreements specifically drafted the agreements to limit the licensed patents to those described in the agreement and the ‘836 patent is not one that is described in the agreement, the ‘836 patent cannot be implicitly licensed.

The Ciena and Fujitsu licensing agreements have very similar definitions of “licensed patents.” The Ciena licensing agreement defines licensed patents as “(i) the Patents-in Suit, and (ii) all parents, provisional, substitutes, renewals, continuations, continuations-in-part, divisionals, foreign counterparts, reissues, oppositions, continued examinations, reexaminations, and extensions of the Patents-in-Suit owned by, filed by, assigned to otherwise controlled by or enforceable by Cheetah...” Defs.’ Appx. at 74 (Doc. No. 89). The Fujitsu licensing agreement defines licensed patents as “the Patents-in-Suit, as well as any and all parents, provisional, substitutes, renewals, divisionals, continuations, continuations-in-part, continued prosecution applications, reissues, reexaminations, continued examinations, extensions and foreign counterparts

of the Patents-in-Suit owned by, filed by, assigned to or otherwise controlled by or enforceable by Cheetah ..." *Id.* at 140 (Doc. No. 89).

The '836 patent is not an explicitly licensed patent under either definition. In *Cheetah I*, one of the patents in suit was U.S. Patent 7,339,714 (the "'714 patent"). This is clearly a licensed patent under both agreements, but this is not the patent in suit in this case. The '714 patent came from an application that was a continuation-in-part of the application that led to another patent in this patent family, U.S. patent 6,943,925 (the "'925 patent). Both licensing agreements provide that parent patents of patents-in-suit are also licensed patents. Since the '925 is a parent of the '714 patent, the '925 patent is also a licensed patent.

The '925 patent is ultimately also a parent patent of the patent at suit in this case, the '836 patent. These two patents are related through two continuation applications. The first continuation application of the '925 patent application led to the issuance of U.S. Patent No. 7,145,704. The '836 patent comes from a continuation application of the '704 patent application. In sum, the '836 patent is child patent of the '925 patent because the '836 patent comes from a continuation of a continuation of the application that led to the '925 patent.

The Defendants argue that, even though the '836 patent is not an expressly licensed patent, it is implicitly licensed because has a continuation relationship with an expressly licensed patent. According to the Defendants, since a continuation application, by definition, does not include any new matter that was not disclosed in

the parent application, the invention of the continuation is disclosed in the parent patent. Therefore, a license of the inventions of the parent patent implicitly includes a license of the claimed invention of the continuation because that invention was disclosed in the licensed patent.

Legal estoppel prevents a licensee from derogating the rights granted in a license when the licensee has received and accepted consideration in return for granting that license. *Transcore, LP v. Elec. Transactions Consultants Corp.*, 563 F.3d 1271, 1279 (Fed. Cir. 2009). A licensor's rights in a license are derogated when the licensee attempts to assert a patent against the licensor, and that patent contains the same inventive concept as an expressly licensed patent. *Id.* A continuation patent is based on the disclosure of its parent patent and therefore cannot claim any new inventions not already supported in the parent patent. *Gen. Protecht Grp., Inc. v. Leviton Mfg. Co., Inc.*, 651 F.3d 1355, 1361 (Fed. Cir. 2011). A licensor therefore may derogate the rights of a licensee when the licensor asserts a continuation patent against the licensee, and the licensee has expressly licensed the licensor to practice the parent patent. *Endo Pharm. Inc. v. Actavis, Inc.*, 746 F.3d 1371, 1378 (Fed. Cir. 2014). Therefore, an express license of a patent also includes an implied license of a continuation of that patent unless there is an indication of mutual intent to exclude a license of the continuation. *Id.* Without mutual intent to exclude a continuation, a licensee is legally estopped from asserting the continuation patent against the licensor. *Id.*

Here it is undisputed that the '836 patent is a continuation of a continuation of a licensed patent. Therefore, the express license of the '925 patent also includes an implied license for continuations of the '925 patent because those continuations disclose the same inventions as the licensed patent. This includes the '836 patent. Even though the '836 patent is not a direct continuation of the '925 patent, the concept still applies in this case. The '836 is a continuation of the '704 patent, which is a continuation of the '925 patent. By definition, the applications for these patents disclose the same inventions.

The Plaintiff argues that legal estoppel should not apply in this case because the facts of this case are distinguishable from those of *General Protecht*, which is one of the cases setting out the legal principles of legal estoppel and implied licenses. In *General Protecht*, the Federal Circuit found that later issued continuation patents were implicitly licensed by an express license of the continuations' parent patent. *Gen. Protecht Grp.*, 651 F.3d at 1360-62. Plaintiff's argue that this case is different in that the '836 patent was not a patent that was issued after its parent patent was licensed. Instead, the '836 patent was an issued patent at the time the parties executed the licensing agreements. Therefore, according to the Plaintiff, *General Protecht* does not control here.

The Court disagrees, while the issue in *General Protecht* was one in which the implicitly licensed patent was issued after the express licensing of the parent patent, the holding in *General Protecht* is not limited to this situation. Instead, the basis of the holding of *General Protecht* was the focus on the fact that the invention disclosed in the

parent application is the same invention that is disclosed in the continuation application. This focus on the disclosed inventions is further confirmed by the Federal Circuit in *Endo*, in which the Federal Circuit discussed the holding of *General Protecht*. In *Endo*, the focus used to determine if a patent was implicitly licensed was also on the overlap of inventive concept disclosed in the applications of a parent and a continuation. *Endo*, 746 F.3d at 1378.

Regardless of whether the continuation is a filed application, published application, or granted patent this concept still applies. Even if the continuation is a published patent, it still is limited to the inventions disclosed in the parent application. The Court believes the fact that the continuation is an issued patent at the time of the licensing agreement goes more toward the parties' ability to express a mutual intent to exclude a continuation from a licensing agreement than it does to distinguish a case from *General Protecht*.

The Plaintiff argues that *General Protecht* is also distinguishable from this case because in *General Protecht* the plaintiff, in its suit based on the continuations, accused the same products that were previously licensed as to the parent patent. The Plaintiff argues, that since this is not the case here, *General Protecht* does not apply. In *Cheetah I*, the accused devices were ROADM devices that were asserted to infringe the claims of the '714 patent, which were directed to ROADM devices. Here the asserted devices are not ROADM devices. Instead they are fiber optic systems that use ROADM devices, and the claims of the '836 patent are for fiber optic systems. Plaintiff then focuses on

the differences between the claims of the patents and the fact that the right to exclude is defined by the claims of a patent, not the disclosure of the patent. In arguing this, the Plaintiff appears to assert that an implied license of a continuation patent based on the express license of a parent patent should be based on an overlap in the claimed subject matter of each patent, i.e. because the claims of the patents in suit in *Cheetah I* were directed toward ROADMs, any implied license of a continuation should be limited to ROADMs or other devices that overlap in scope.

While the Court agrees that the claims of related patents can vary and can even claim different inventions if the disclosure provides support for the different claimed inventions, the Court disagrees with the Plaintiff's interpretation of the holdings of *General Protecht* and *Endo*. These holdings do not address the claimed subject matter of the parent and the continuation. Instead, they focus on the fact that any inventions that are disclosed in the parent are the same inventions that are in the continuation. *Endo*, 746 F.3d at 1378.

The Plaintiff also argues that legal estoppel does not apply in this case because the parties to the licensing agreements provided a clear intention of the mutual intent to exclude the '836 patent from the licensing agreement. The Plaintiff points to the facts that the '836 patent was in existence at the time of the licensing agreement and that the '836 patent was not explicitly licensed. The Plaintiff also asserts that the parties to the agreements were aware of another settlement agreement, the Verizon agreement, that listed the '836 patent as a licensed patent. The Plaintiff argues that

this all points to the conclusion that the parties to the licensing agreements expressed a clear intention of the mutual intent to exclude the '836 patent.

The Court disagrees. In order to avoid the implicit licensing of a continuation patent under *General Protecht* and *Endo*, it must be shown that the parties mutually intended this to be so. *Endo*, 746 F.3d at 1378. “A license or a covenant not to sue enumerating specific patents may legally estop the patentee from asserting continuations of the licensed patents in the absence of mutual intent to the contrary.”

Id.

In this case, the Plaintiff's evidence of a clear mutual intention of the parties intent to exclude implicit licensing simply amounts to the parties' awareness of the '836 patent and the lack of an express reference to the '836 patent in the licensing agreements. This is insufficient to show a mutual intent to avoid implicit licensing of the '836 patent.

The Court next addresses the issue of whether the accused device in this suit is a licensed product under the licensing agreements. The Ciena licensing agreement defines “licensed products” as “all past, present, or future Ciena or Ciena Affiliate products or services, or combinations, components, or systems of products or services, and any modifications or enhancements thereof that could by themselves or in combination with other products, services, components or systems, be alleged to infringe at least one claim of the art least one Licensed Patent ...” Defs'. Appx. at 74 (Doc. No. 89). The Fujitsu licensing agreement provides the exact same definition of

licensed products, except that the references to Ciena and a Ciena affiliate are changed to references to Fujitsu and a Fujitsu affiliate. *Id* at 140.

These definitions of licensed products contain two portions. The first portion refers to Ciena's or Fujitsu's products or services and to combinations of Ciena or Fujitsu products or services that are used by themselves. The second section refers to a "combination with other products, services, components or systems." The parties appear to dispute the differences between and interpretation of these two sections. The parties' briefing is not very clear on the matter, but it appears to be an issue with the repeated use of "combinations" in both the first and the second portion of the definition.

The Court finds this definition clear and unambiguous. From the plain language of the definition, it is clear that the first reference to "combinations" is a reference to a different combination than is referred to in the second part of the definition. The first reference is in the first part of the definition, and this part refers to Ciena or Fujitsu products that can themselves infringe a licensed patent. This also includes combinations of Ciena or Fujitsu products that collectively could infringe a licensed patent. This is the combination that the first reference of "combination" is referring to. The second reference to combinations is a reference to combinations with other products, services, components, or systems. The combinations of "other" products, services, and components, or services are something other than mere combinations of Ciena or Fujitsu products. The reference to "other" products, services, components, or

systems must be a reference to non Ciena or Fujitsu products, services, components, or services. The phrase therefore refers to combinations of a non Ciena or Fujitsu product, service, component, or system with a Ciena or Fujitsu product or service. Under this definition, these combinations of a Ciena or Fujitsu product with some other product is a licensed product.

In this case the accused device is a licensed product. The accused devices are combinations of a Ciena or Fujitsu product that in combination with other non Ciena or Fujitsu components is alleged to infringe the '836 patent, which the Court has already held is implicitly licensed in both licensing agreements. The accused devices are AT&T's fiber optic systems. The fiber optic systems contain many components, which when used together, allegedly infringe the '836 patent. One of these components is the ROADM that is made by either Ciena or by Fujitsu. This is combination of Ciena's or Fujitsu's product, the ROADM, with "other products, services, components, or services," the other components of the fiber optics systems. Under the definition of licensed products in both agreements, the accused devices in this case are licensed products.

Since the patent in suit in this case is implicitly licensed in both licensing agreements and the accused devices are licensed products, Cheetah's claims in this lawsuit are barred by the licensing agreements.

II. The Covenants Not To Sue

The Defendants also assert the both the Ciena and Fujitsu covenants not to sue bar Cheetah's claims against AT&T in this law suit. The Defendants assert that both covenants expressly provide a promise that Cheetah will not bring a suit asserting patent infringement of the '836 patent; that accused devices in this case are included in the protected products of the covenants; and that this promise not to sue applies to AT&T because AT&T is a downstream customer of Ciena and Fujitsu that uses the protected products.

Cheetah responds that the covenants do not prevent this lawsuit because the covenants not to sue are limited to lawsuits based on the use of only a Ciena or Fujitsu product and that the covenants do not protect Ciena, Fujitsu, or one of their customers from a patent infringement lawsuit where a Ciena or Fujitsu product is only a portion of the accused device. Cheetah asserts that the covenants do not apply to the accused devices in this case because AT&T's fiber optic systems are composed of a combination of Ciena or Fujitsu products with other components.

The Court agrees with Cheetah that AT&T is not protected from this suit by the covenants because the accused devices in this suit are not covered by the covenants not to sue.

In the Ciena covenant, Cheetah promised not to sue any of Ciena's customers and end users for infringement of Cheetah's telecommunications patents who use a Ciena product, but limited this promise to only suits brought with respect to the

customer's importing, making, using, selling, or offering to sell a Ciena product. Defs'. Appx at 38 (Doc. No. 90). The Ciena covenant defines a Ciena product as "all past, present or future Ciena or Ciena Affiliate products, services or combinations, components, or systems of products or service, and any modifications of enhancements thereof." *Id.* at 89.

The Fujitsu covenant not to sue contains the same covenant to not bring a law suit regarding Cheetah's telecommunication patents against Fujitsu's customers of Fujitsu products, but only with respect to the customer's importing, making, using, selling, or offering to sell a Fujitsu product. The Fujitsu covenant, however, varies from the Ciena covenant in that the Fujitsu covenant does not provide a definition of "Fujitsu products."

The parties disagree about two portions of these covenants. First, they disagree as to whether or not the accused device in this suit is a Ciena product under the Ciena covenant and, second, they disagree as to the effect of the limitation of the promise not to sue Ciena's or Fujitsu's customers that limits this promise to only the customer's importing, making, using, selling, or offering to sell a Ciena or Fujitsu product.

With regards to the Ciena covenant's definition of Ciena product, the Court holds that this definition does not include combinations of Ciena products with other non Ciena components. The covenant's definition of Ciena products is the same as the first portion of the definition of Ciena products in the Ciena licensing agreement. This includes all Ciena products, services or combinations, components, or systems of

products or service, and any modifications of enhancements thereof. The definition of Ciena products in the covenant is, however, lacking the second portion of the definition of Ciena products that is in the licensing agreements. This second portion is the portion of the licensing agreement definition that included combinations of Ciena products with other non Ciena components. In the case of the licensing agreement, it was clear that the first portion of the definition referred to only Ciena products and combinations of Ciena products. The second portion referred to combinations of Ciena products with other products, i.e. products that are not Ciena products. Therefore, a licensed product under the licensing agreement included both Ciena products and larger systems that include Ciena products but are not entirely composed of Ciena products. The definition of the “Ciena Product” in the Ciena covenant, however, only includes the first half of this definition. Therefore, as defined by the covenant, a Ciena product is only a product made by Ciena or a combination of products in which all of the components are made by Ciena. The covenant definition does not include combinations of a product made by Ciena with other components that are not made by Ciena.

In this case the accused devices are not Ciena products under the Ciena covenant definition. The accused devices are AT&T’s fiber optic systems. These systems are made up of a combination of components. Some of these components are Ciena products. Other components are not Ciena products. This does not fit the Ciena

covenant's definition of licensed product. So, Ciena's promise not to sue does not include a promise not to bring the current case against AT&T.

In the case of the Fujitsu covenant, this covenant does not define Fujitsu products. It simply states that Cheetah promises not to sue Fujitsu and its customer's for patent infringement of Cheetah's telecommunication patents based on the use of a Fujitsu product. In this case, there is no basis at all to expand the meaning of Fujitsu products beyond the clear meaning of a Fujitsu product, which is a product made by Fujitsu. Therefore, the Fujitsu covenant does not include a promise not to sue a Fujitsu customer when that customer combines a Fujitsu product with other components to form an infringing device, which is the situation in this case.

The parties also appear to have a dispute over the meaning of a limitation included in both covenants that applies to the promise not to sue Ciena's or Fujitsu's customers. This limitation states that the promise is limited only to the customer's importing, making, using, selling, or offering to sell a Ciena or Fujitsu product. Neither parties briefing on how this limitation changes the meaning or extent of a Ciena or Fujitsu product under the covenants is very clear.

The Court holds that this limitation does not change the meaning of a Ciena or Fujitsu product under the covenants not to sue. This language is only a limitation that applies to customers of Ciena and Fujitsu, and its meaning and purpose is clear. The portion of the covenant immediately before this states that Cheetah will not sue Ciena's or Fujitsu's customers for infringement. The limitation limits this to only situations

where the suit is based on the customer's use of that product. This avoids the situation where Cheetah would appear to promise not to sue a Ciena or Fujitsu customer solely because it is a customer of Ciena or Fujitsu. Without this limitation, a company could claim that it was protected from any suit for infringement of Cheetah's telecommunication patents by these covenants simply by purchasing any Ciena or Fujitsu product regardless of whether the infringement suit was based on the use of that Ciena or Fujitsu product. If this were so, this would not make any sense. The covenant would read as if a Ciena or Fujitsu customer who purchased any Ciena or Fujitsu product and also purchased an infringing device from another supplier, such as a ROADM made by a company other than Ciena or Fujitsu, would be protected from a lawsuit in which Cheetah asserted patent infringement based on the use of the non Ciena or Fujitsu product. The limitation in the covenants clarifies that Cheetah's promise not to sue does not extend to situations like this. For this reason, this limitation language does not change the meaning or extent of a Ciena or Fujitsu product in the covenants not to sue.

E. Conclusion

The Ciena and Fujitsu covenants not to sue do not prevent Cheetah from asserting its claims in this lawsuit against AT&T because the accused devices are not devices for which Cheetah promised not to sue Ciena's and Fujitsu's customers. The licensing agreements, however, bar Cheetah from bringing this lawsuit against AT&T because the patent in suit, the '836 patent, is implicitly licensed by both of these

agreements and all accused devices in this suit are covered by the meaning of Ciena or Fujitsu products in the licensing agreements. This bars all of Cheetah's claims in this lawsuit. For this reason, the Court **grants** the Motion as to the Defendants' request for summary judgment based on the suit being barred by the Ciena and Fujitsu licensing agreements.

SO ORDERED.

Signed October 23rd, 2018.



ED KINKEADE

UNITED STATES DISTRICT JUDGE

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NOTE: This order is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

CHEETAH OMNI LLC,
Plaintiff-Appellant

v.

**AT&T SERVICES, INC., A DELAWARE
CORPORATION, CIENA CORPORATION, CIENA
COMMUNICATIONS, INC.,**
Defendants-Appellees

2019-1264

Appeal from the United States District Court for the Northern District of Texas in No. 3:17-cv-01993-K, Judge Ed Kinkeade.

ON PETITION FOR REHEARING EN BANC

Before PROST, *Chief Judge*, NEWMAN, LOURIE, BRYSON¹, O'MALLEY, REYNA, WALLACH, TARANTO, CHEN, HUGHES, and STOLL, *Circuit Judges**.

¹ Circuit Judge Bryson participated only in the decision on the petition for panel rehearing.

* Circuit Judges Dyk and Moore did not participate.

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CHEETAH OMNI LLC v. AT&T SERVICES, INC.

PER CURIAM.

O R D E R

Appellant Cheetah Omni LLC filed a petition for rehearing en banc. The petition was first referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on April 15, 2020.

FOR THE COURT

April 8, 2020
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court