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INTELLECTUAL PROPERTY LITIGATION NEWSLETTER

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Case Highlights

Nominal Damages of One Dollar Awarded in a Patent Case Affirmed as Granting JMOL of No Damages

Rex Medical L.P. v. Intuitive Surgical Inc., No. 24-1072 (Fed. Cir. Oct. 2, 2025) (Judge Stoll, joined by Judges Dyk and Prost) (appeal from D. Del.).

The district court's decision to award nominal damages of one dollar after vacating the jury's damages award of $10 million was viewed by the Federal Circuit as granting a judgment as a matter of law (JMOL) of no damages. The Federal Circuit found that although 35 U.S.C. § 284 requires an award of damages, this requirement does not "exist even in the absence of any evidence from which a court may derive a reasonable royalty." Accordingly, the district court's decision to award no damages was affirmed because the plaintiff failed to provide sufficient evidence that would allow the jury to find or infer a damages number. The plaintiff relied primarily on a license that covered more patents than just the patent-in-suit. However, the plaintiff failed to provide any evidence that would allow reasonable apportionment of the lump-sum payment in that license, and the jury would have had to speculate or guess the properly apportioned damages for infringement of one patent-in-suit.

Seeking FDA Approval, Which Is a Non-Infringing Act, Cannot Be Enjoined

Jazz Pharmaceuticals Inc. v. Avadel CNS Pharmaceuticals LLC, No. 1:21-cv-00691 (D. Del. Sept. 8, 2025) (Judge Williams).

The court held that the defendant cannot be enjoined from seeking Food and Drug Administration (FDA) approval for the accused drug, which is an activity that the parties agreed was not infringing. As a threshold matter, the court determined that an injunction that directly enjoins non-infringing activities runs afoul of the Federal Circuit's instruction in *Joy Technologies Inc. v. Flakt Inc.*, 6 F.3d 770 (Fed. Cir. 1993), that "[j]udicial restraint of lawful competitive activities . . . must be avoided." Even though there was a more expansive view expressed by a different panel at the Federal Circuit later, "the Court would be bound to follow [*Joy Techs.*], as it is the earlier of what would then be two conflicting precedential opinions of different panels of the Federal Circuit." Even following the more expansive view, however, the court concluded that the injunction requested by the plaintiff is foreclosed because enjoining the non-infringing act of seeking FDA approval is not "*necessary* to prevent infringement." In particular, the plaintiff cannot show the required nexus for irreparable harm because the alleged future infringement is contingent on future events, which are remote and speculative.

Other Notable Cases

Prior Litigation Against a Competitor That Generated Heightened Publicity Does Not Meet the Actual Knowledge Pleading Standard

MR Technologies GMBH v. Toshiba America Electronic Components Inc., No. 8:25-cv-00786 (C.D. Cal. Sept. 22, 2025) (Judge Selna).

The court found that the plaintiff failed to meet the pleading standard of actual knowledge of patents-in-suit for indirect and willful infringement claims. The court rejected the plaintiff's argument that the defendant knew about the patents-in-suit and potential infringement because of the plaintiff's prior litigation against the defendant's competitor on the same patents and a large jury verdict that resulted from that litigation that generated heightened media publicity. The court determined that "[l]itigation against a third party, even if they are a direct competitor in a narrow market, does not amount to actual knowledge of infringement." Although the court agreed that common sense suggests that the defendant, as a competitor, had incentive to track the large judgment resulting from the prior jury trial, the plaintiff failed to sufficiently plead that the defendant "actually *was* tracking the litigation and was aware of their own infringement risk."

Counsel's Candor and Admission Avoids Sanctions in Citing a Fictitious AI-Generated Case

Gilbralter LLC v. DMS Flowers LLC, No. 1:24-cv-00174 (E.D. Cal. Sept. 19, 2025) (Magistrate Judge Baker).

Although admonished, counsel was not sanctioned for citing a fictitious, hallucinated case generated by artificial intelligence (AI). The court found that the counsel's representation that she inadvertently included and overlooked the fictitious case "understates the situation at bar—in drafting the opposition, . . . placing the parties' names, published reporter, pin cite, year, and district court before signing the opposition and filing it before the Court." However, based on counsel's "candor in admitting to using various research sources 'including sources that incorporate AI,' representation that her inaccurate citation was an unintentional oversight from such use, and her representation that she will implement (albeit, unspecified) 'precaution to prevent future similar errors,'" the court decided not to impose any sanctions.

Contacts

Erik Carlson | Partner, Los Angeles | erik.carlson@alston.com

Olivia Kim | Partner, Los Angeles | olivia.kim@alston.com

Ed Poplawski | Partner, Los Angeles | edward.poplawski@alston.com

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