United States Court of Appeals for the Federal Circuit

INTELLECTUAL VENTURES I LLC,
INTELLECTUAL VENTURES II LLC,
Plaintiffs-Appellants

v.

CAPITAL ONE FINANCIAL CORPORATION, CAPITAL ONE BANK (USA), NATIONAL ASSOCIATION, CAPITAL ONE, NATIONAL ASSOCIATION,
Defendants-Appellees

2016-1077

Appeal from the United States District Court for the District of Maryland in No. 8:14-cv-00111-PWG, Judge Paul W. Grimm.

Decided: March 7, 2017

IAN NEVILLE FEINBERG, Feinberg Day Alberti & Thompson LLP, Menlo Park, CA, argued for plaintiffs-appellants. Also represented by MARC BELLOLI, ELIZABETH DAY, CLAYTON W. THOMPSON, II; ERIC F. CITRON, Goldstein & Russell, P.C., Bethesda, MD.

MATTHEW J. MOORE, Latham & Watkins LLP, Washington, DC, argued for defendants-appellees. Also repre-

sented by GABRIEL BELL, ADAM MICHAEL GREENFIELD; JEFFREY G. HOMRIG, Menlo Park, CA; ROBERT A. ANGLE, DABNEY JEFFERSON CARR, IV, Troutman Sanders LLP, Richmond, VA; KENNETH R. ADAMO, DAVID WILLIAM HIGER, Kirkland & Ellis LLP, Chicago, IL.

Before PROST, *Chief Judge*, WALLACH and CHEN, *Circuit Judges*.

PROST, *Chief Judge*.

Intellectual Ventures I LLC and Intellectual Ventures II LLC (collectively, "IV") appeal from a final decision of the United States District Court for the District of Maryland finding all claims of U.S. Patent No. 7,984,081 ("'081 patent") and U.S. Patent No. 6,546,002 ("'002 patent") ineligible under 35 U.S.C. § 101 and barring IV from pursuing its infringement claims of U.S. Patent No. 6,715,084 ("'084 patent") under a collateral estoppel (issue preclusion) theory.[1] For the reasons discussed below, we affirm.

I

IV sued Capital One Financial Corporation, Capital One Bank (USA), National Association, Capital One, and National Association (collectively, "Capital One"), alleging infringement of the '084 patent, the '081 patent, and the '002 patent (collectively, "patents-in-suit") in the United States District Court for the District of Maryland. In response, Capital One asserted antitrust counterclaims against IV under the Sherman Act and moved for sum-

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[1] IV additionally appealed the district court's finding of patent ineligibility of U.S. Patent No. 6,314,409. IV, however, withdrew this patent from appeal. IV's Mot. to Withdraw U.S. Patent No. 6,314,409 as an Appellate Issue at 2.

mary judgment on IV's infringement claims, arguing that the '081 and '002 patents are invalid under 35 U.S.C. § 101.

In a related proceeding, the United States District Court for the Southern District of New York entered a partial summary judgment order of ineligibility under § 101 for the '084 patent. *See Intellectual Ventures II, LLC v. JP Morgan Chase & Co.*, No. 13-cv-3777-AKH, 2015 WL 1941331, at *17 (S.D.N.Y. Apr. 28, 2015) ("*JPMC*"); J.A. 1343–74. Relying on the *JPMC* court's partial summary judgment order, Capital One moved for summary judgment in the District of Maryland under a collateral estoppel theory to bar IV's infringement action on those patents.

In response to Capital One's summary judgment motions, the district court invalidated the '081 and '002 patents under § 101 and barred IV from proceeding on its infringement claims as to the '084 patent under a collateral estoppel theory based on the *JPMC* court's findings. Having granted Capital One's summary judgment motion on collateral estoppel grounds, the District of Maryland elected not to independently reach the merits of the '084 patent's eligibility under § 101. After disposing of the patents-in-suit, and over IV's objection, the district court certified its judgment under Federal Rule of Civil Procedure 54(b) so that this appeal could proceed concurrently with Capital One's antitrust counterclaims in the District of Maryland.[2] IV filed its appeal. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

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[2] In the related *JPMC* matter, although the Southern District of New York rendered a finding of invalidity at summary judgment as to the '084 patent under § 101, it denied IV's request for Rule 54 certification and immedi-

II

On appeal, IV raises a number of issues regarding the proceedings below: (1) IV argues that the district court abused its discretion by certifying this appeal under Rule 54; (2) IV appeals the district court's determination that it is collaterally estopped from pursuing its patent infringement claims as to the '084 patent; and (3) IV appeals the district court's determination that the '081 and '002 patents are invalid under § 101. We take each issue in turn.

A

We review the district court's decision to certify a partial final judgment under Rule 54(b) for an abuse of discretion. *See Sears, Roebuck & Co. v. Mackey*, 351 U.S. 427, 437 (1956). On appeal, IV argues that the district court erred by merely providing a two-sentence Rule 54(b) certification statement without any specific findings or reasoning to support its conclusion. IV also asserts that because the district court did not make any findings or provide a rationale, any deference we owe to the district court "is nullified" under *Braswell Shipyards, Inc. v. Beazer E., Inc.*, 2 F.3d 1331, 1335–36 (4th Cir. 1993). Aside from attacking the sufficiency of the district court's reasoning, IV argues that the close interrelationship between its infringement claims and Capital One's antitrust counterclaims weighs against certification. IV therefore maintains that we should vacate the certification and remand the appeal.

Capital One responds that the district court's express finding of "no just reason for delay" supports its decision to certify. It also cites the district court's additional certification reasoning in response to IV's motion to

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ate appeal. Thus, IV has not to date appealed the merits of that court's § 101 findings.

vacate the Rule 54(b) judgment. *See* J.A. 1728 (explaining why Rule 54(b) certification would create a more efficient use of judicial resources under this case's facts and procedural posture). Regarding its counterclaims, Capital One argues that the antitrust issues are not sufficiently interrelated to IV's infringement claims because its counterclaims implicate IV's patent portfolio, which encompasses roughly 3,500 patents.

We agree with Capital One that the district court did not abuse its discretion in certifying the appeal under Rule 54(b). Under that rule, "[w]hen an action presents more than one claim for relief . . . the court may direct entry of final judgment as to one or more, but fewer than all, claims or parties only if the court expressly determines that there is no just reason for delay." Fed. R. Civ. P. 54(b).

First, regarding the sufficiency of the district court's findings, we observe that the district court set forth its reasoning for certification in two separate, independent orders. *See* J.A. 55 (concluding that "there is no just reason for delay[ing]" entry of judgment with the antitrust claims still pending in the initial motion); J.A. 1727–28 (weighing the potential benefits of reserving final judgment under a Rule 60 motion and concluding that judicial economy supports certification). Although the district court's initial ruling did not set forth a lengthy analysis in support of certification, it expressly determined that there was no just reason for delay. J.A. 55. Beyond this, the district court subsequently explained why judicial economy supports its initial determination.[3]

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[3] In its reply brief, IV argues—without support—that a district court cannot use a subsequent order to "cure [the] defect" in its initial analysis. Reply Br. 24–25. Not so. The Fourth Circuit merely requires that the district court state its findings on the record or in its

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