

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

ALL TERMINAL SERVICES, LLC  
d/b/a CONGLOBAL TECHNOLOGIES,

*Plaintiff,*

v.

ROBOFLOW, INC.,

*Defendant.*

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Civil Action No. 25-476-WCB



**MEMORANDUM OPINION AND ORDER**

Plaintiff All Terminal Services, LLC, doing business as ConGlobal Technologies (“ConGlobal”), brought this action against defendant Roboflow, Inc., alleging that Roboflow had infringed three patents owned by All Terminal. I granted Roboflow’s motion to dismiss the action based on my finding that the patents asserted by ConGlobal were ineligible for patenting under 35 U.S.C. § 101. Dkt. No. 26. Shortly thereafter, Roboflow filed the present motion for attorney fees under 35 U.S.C. § 285 and this court’s equitable powers. Dkt. No. 29. ConGlobal filed a response opposing the motion, Dkt. No. 37, and Roboflow filed a reply, Dkt. No. 38. Oral argument on the motion was held on December 3, 2025. For the reasons set forth below, the motion for attorney fees is denied.

**I. Legal Standard**

Motions to dismiss patent actions based on patent ineligibility under section 101 have become quite common. When such a motion is granted, a motion by the defendant for an award of attorney fees frequently follows. As a result, there is a prodigious collection of orders from

district courts addressing whether attorney fees should be awarded to defendants that are successful in section 101 challenges to patents. Although motions for fees have been denied in the great majority of such cases, fee awards have occasionally been granted.

The broad principles applicable to requests for attorney fee awards under 35 U.S.C. § 285 have been set forth by the Supreme Court. Section 285 consists of a single sentence: “The court in exceptional cases may award reasonable attorney fees to the prevailing party.” The Supreme Court in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, observed that the text of the statute is “patently clear” in that it imposes “one and only one constraint on district courts’ discretion to award attorney’s fees in patent litigation: The power is reserved for ‘exceptional’ cases.” 572 U.S. 545, 553 (2014). While that language may be “clear,” as the Court asserted, its application in practice has not proved to be simple.

The Court in *Octane Fitness* interpreted the reference to an “exceptional” case in section 285 to mean “simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing case law and the facts of the case) or the unreasonable manner in which the case was litigated.” *Id.* at 554. The Court explained that a district court “may award fees in the rare case in which a party’s unreasonable conduct—while not necessarily independently sanctionable—is nonetheless so ‘exceptional’ as to justify an award of fees.” *Id.* at 555. The Court added that courts should determine whether a case is exceptional “in the case-by-case exercise of their discretion, considering the totality of the circumstances.” *Id.* at 554. A case “presenting either subjective bad faith or exceptionally meritless claims,” the Court noted, “may sufficiently set itself off from mine-run cases to merit a fee award.” *Id.* at 555.<sup>1</sup>

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<sup>1</sup> In a footnote, the Court in *Octane Fitness* identified a nonexclusive list of factors to be considered in determining whether a case is exceptional, including “frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in

Importantly, however, the Court made it clear that district courts do not award attorney fees “as a penalty for failure to win a patent infringement suit,” but as appropriate “only in extraordinary circumstances.” *Id.* at 548 (quoting *Park-In-Theatres, Inc. v. Perkins*, 190 F.2d 137, 142 (9th Cir. 1951)); *see also Munchkin, Inc. v. Luv n’ Care, Ltd.*, 960 F.3d 1373, 1378 (Fed. Cir. 2020).

With respect to the court’s inherent equitable powers to award attorney fees, the Supreme Court and the Federal Circuit have recognized the existence of such a power but have limited it to bad faith or other serious misconduct. *See Chambers v. NASCO, Inc.*, 501 U.S. 32, 45–46 (1991) (“A court may assess attorney’s fees when a party has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.” (quotation modified); *Realtime Adaptive Streaming LLC v. Netflix, Inc.*, 41 F.4th 1372, 1375 n.2 (Fed. Cir. 2022).

## **II. Application**

Applying the standard for awarding attorney fees under section 285 has proved to be challenging in cases involving section 101, which has been an evolving area of patent law, particularly since the Supreme Court’s decision in *Alice Corp. Pty. v. CLS Bank Int’l*, 573 U.S. 208 (2014). The two questions presented by Roboflow’s motion are (1) whether ConGlobal’s position with respect to the viability of the asserted patents was so weak at the time this case was brought as to render this case exceptional, and (2) whether ConGlobal litigated this case in a manner that was so improper or abusive as to render the case exceptional on that ground.

I find that although the three asserted patents were properly held ineligible for patenting, the resolution of the section 101 issue in this case was not so patently obvious as to render this case exceptional within the meaning of section 285. In addition, I find that the manner in which

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particular circumstances to advance considerations of compensation and deterrence.” 572 U.S. at 554 n.6 (quoting *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 n.19 (1994)).

ConGlobal conducted the litigation in this case was not so clearly improper that ConGlobal's conduct would justify an attorney fee award.

#### **A. The Merits of ConGlobal's Position on the Section 101 Argument**

Roboflow's principal argument in support of its fee request under section 285 is that ConGlobal's patents were so plainly ineligible for patenting that ConGlobal's action was doomed from the outset and that fees should be awarded to Roboflow for that reason. As noted, motions for attorney fees frequently follow orders dismissing actions based on patent ineligibility under section 101. Many are filed, but few are granted. After giving the matter close consideration, my judgment is that this case belongs among the many and not the few.

Cases of this sort illustrate the proposition that it is much easier to say that one party has the better of an argument than to say how much better one party's argument is than the other's. In ruling on the merits of the parties' section 101 dispute, I was confident that Roboflow had the better of the argument, but not so much so that ConGlobal's position could be considered frivolous. Simply pressing an argument that a court ultimately rejects is not sufficient to justify entry of a fee award under section 285. There is considerable space between a merely unpersuasive argument and a frivolous one. This case falls in that space.

#### **1. The High Bar for "Exceptional Cases"**

The language used in various cases addressing the standard necessary to qualify as "exceptional" for purposes of section 285 is indicative of how high the bar is to justify an award of fees. *See, e.g., Stone Basket Innovations, LLC v. Cook Med. LLC*, 892 F.3d 1175, 1180 (Fed. Cir. 2018) (Although a plaintiff's case may be weak, "a strong or even correct litigating position is not the standard by which we judge exceptionality"); *Adaptive Streaming Inc. v. Netflix, Inc.*, No. 8:19-1450, 2020 WL 2573471, at \*2 (C.D. Cal. Mar. 11, 2020) ("Plaintiff's claims were not

so baseless or ‘hopeless’ so as to warrant attorneys’ fees.”); *Personal Web Techs. LLC v. EMC Corp.*, No. 5:13-cv-1358, 2020 WL 3639676, at \*4 (N.D. Cal. July 6, 2020) (“An objectively baseless or frivolous patent case is one ‘that no reasonable litigant could reasonably expect [to succeed] on the merits.’” (quoting *Taurus IP, LLC v. DaimlerChrysler Corp.*, 726 F.3d 1306, 1327 (Fed. Cir. 2013))); *Glob. Cash Access, Inc. v. NRT Tech. Corp.*, No. 2:15-cv-822, 2018 WL 4566678, at \*3 (D. Nev. Sept. 24, 2018) (“for a case dismissed before trial to be designated exceptional, evidence of the frivolity of the claims must be reasonably clear without requiring a mini-trial on the merits for attorneys’ fees purposes.” (quoting *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047, 2015 WL 4910875, at \*3 (E.D. Tex. Aug. 17, 2015))); *DietGoal Innovations LLC v. Chipotle Mexican Grill, Inc.*, No. 2:12-cv-764, 2015 WL 1284826, at \*2 (E.D. Tex. Mar. 20, 2015) (To warrant an award of fees, the defendant “must show that DietGoal’s positions (individually or taken as a whole) were frivolous or objectively baseless.”).

Rather than attempt to survey the vast array of district court cases that have addressed this issue under section 285, I will focus primarily on cases from the District of Delaware, which are generally representative of cases from district courts throughout the country.<sup>2</sup> Decisions by Judge Andrews are enlightening, as always. Of the six reported instances in which Judge Andrews has ruled on a motion for attorney fees under section 285 following a decision holding patent claims ineligible under section 101, he has granted fees in one case and denied fees in the other five.

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<sup>2</sup> Because the Federal Circuit cases that have addressed this issue have followed *Octane Fitness* in directing district courts that there is “no precise rule or formula for making these determinations” and that district courts “may determine whether a case is ‘exceptional’ in the case-by-case exercise of their direction, considering the totality of the circumstances,” *Blackbird Tech LLC v. Health In Motion LLC*, 944 F.3d 910, 914 (Fed. Cir. 2019) (quoting *Octane Fitness*, 572 U.S. at 554), the Federal Circuit’s decisions are not as helpful as the district court decisions in providing guidance as to how that discretion should be exercised in the first instance.

In the first case, *Finnavations LLC v. Payoneer, Inc.*, No. 1:18-cv-444, 2019 WL 1236358 (D. Del. Mar. 18, 2019), Judge Andrews granted a motion for attorney fees based on his conclusion that there is

no question that the [patent in suit] is patent ineligible under the Federal Circuit's current precedent. In fact, the Patent is reminiscent of patents which courts were invalidating in the immediate wake of *Alice*, five years ago. Since *Alice*, the law of patent eligibility has perhaps become unpredictable and unclear on the fringes. But one thing remained true: patents which look like *Alice* are ineligible. I have rarely been more confident in the patent ineligibility of a set of claims or more confident in the unreasonableness of a Plaintiff's decision to sue on a patent. Thus, this case fits the bill of 'one that stands out from others' with regard to the substantive weakness of Plaintiff's litigation position.

2019 WL 1236358, at \*1. Judge Andrews added that this "was not a 'borderline case' with an unpredictable result. Any reasonable patent attorney with an understanding of Section 101 law could have predicted the result." *Id.* at \*2. That was a harsh judgment as to the merits of the patent in suit (and the judgment of the attorney who asserted that patent in litigation). But by its extreme nature, that case stands as a bookend for the array of cases in which Judge Andrews has addressed motions for fees following rulings invalidating patents on section 101 grounds.

In less extreme cases, Judge Andrews has consistently denied motions for attorney fees following orders holding claims ineligible for patenting. For example, earlier this year in *Election Systems & Software v. Smartmatic USA Corp.*, No. 18-1259, 2025 WL 662083, at \*3 (D. Del. Feb. 29, 2025), Judge Andrews denied a motion for attorney fees on the ground that the patent in suit was not "so exceptionally weak such that the Defendant is entitled to attorneys' fees under section 285." Distinguishing the *Finnavations* case, Judge Andrews noted that "the first time I looked at the patent [in *Finnavations*], within a matter of minutes I was sure that it was unpatentable." *Id.* The claims in *Finnavations*, he added, were "directed to financial concepts and were clearly unpatentable because they were similar to those claims found unpatentable in *Alice* itself." *Id.* at

\*4 (citing *Finnavations*, 2019 WL 1236358, at \*1). In the *Election Systems* case, by contrast, Judge Andrews concluded that the plaintiff’s arguments were not frivolous. As he put it, “[l]ooking at the totality of the circumstances, I see neither sufficient ‘frivolousness,’ bad faith ‘motivation,’ or ‘objective unreasonableness,’ nor circumstances suggesting a need to ‘advance considerations of compensation and deterrence.’ . . . I find that this is not an ‘exceptional’ case.” *Id.* (citation omitted). The same is true of each of Judge Andrews’ four other reported orders dealing with attorney fee motions following dismissals of claims under section 101. See *Interactive Games LLC v. DraftKings, Inc.*, No. 19-1105, 2024 WL 4606077 (D. Del. Oct. 29, 2024); *Acceleration Bay LLC v. Take-Two Interactive Software, Inc.*, No. 16-455, 2022 WL 2785966 (D. Del. July 15, 2022); *Baggage Airline Guest Servs., Inc. v. Roadie, Inc.*, No. 18-707, 2020 WL 757891 (D. Del. Feb. 14, 2020), *aff’d*, 828 F. App’x 721 (Fed. Cir. 2020); *Tangelo IP, LLC v. Tupperware Brands Corp.*, No. 18-cv-692, 2019 WL 2270439 (D. Del. May 28, 2019).

Though fewer in number, several reported decisions by other judges in this district follow the same analysis as Judge Andrews’ decisions. See *Reputation.com, Inc. v. Birdeye, Inc.*, No. 21-129, 2024 WL 2300762 (D. Del. May 21, 2024) (Judge Burke); *BroadSoft, Inc. v. CallWave Commc’ns, LLC*, No. 13-711, 2019 WL 3750817 (D. Del. Aug. 8, 2019) (Judge Fallon); *Jedi Techs., Inc. v. Spark Networks, Inc.*, No. 1:16-1055, 2017 WL 3315279 (D. Del. Aug. 3, 2017) (Judge Sleet). In one such case, Chief Judge Connolly granted an attorney fee award after finding, as Judge Andrews did in *Finnavations*, that the patent at issue was so similar to a patent that had been declared ineligible by the Supreme Court that it was perfectly clear that the patent would be struck down. *ChromaDex, Inc. v. Elysium Health, Inc.*, No. 18-1434, 2024 WL 1255520, at \*3 (D. Del. Mar. 25, 2024). In another case, Judge Sleet similarly granted a fee award in a case in which, in light of the *Alice* decision, the plaintiff’s claims were “objectively without merit,” yet

the plaintiff refused to concede ineligibility. *See Inventor Holdings, LLC v. Bed Bath & Beyond Inc.*, No. 14-448, 2016 WL 3090633, at \*3 (D. Del. May 31, 2016), *aff'd*, 876 F.3d 1372 (Fed. Cir. 2017). The Federal Circuit affirmed Judge Sleet’s decision, agreeing that although “it was and is sometimes difficult to analyze patent eligibility under the framework prescribed by the Supreme Court in [*Mayo Collaborative Servs. v. Prometheus Lab’ys, Inc.*, 566 U.S. 66, 79 (2012)], there is no uncertainty or difficulty in applying the principles set out in *Alice* to reach the conclusion that the ’582 patent’s claims are ineligible.” *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1379 (Fed. Cir. 2017).

At oral argument and in their reply brief, Roboflow asserts that the Federal Circuit’s *Recentive* decision on April 18, 2025, issued the same day this case was filed in Delaware, required ConGlobal to retreat from litigation, and the lack of such action makes this case worthy of attorney fees under section 285. Dkt. No. 38 at 2–4; *see Recentive Analytics, Inc. v. Fox Corp.*, 134 F.4th 1205 (Fed. Cir. 2025). *Recentive*, however, does not go so far. *Recentive* held “only that patents that do no more than claim the application of generic machine learning to new data environments, without disclosing improvements to the machine learning models to be applied, are patent ineligible under § 101.” *Recentive*, 134 F.4th at 1216. I still had to conduct significant analysis to determine ConGlobal’s asserted patents were invalid under §101, and I wrote an opinion of more than 30 pages explaining my decision. *All Terminal Servs., LLC v. Roboflow, Inc.*, No. 25-476, 2025 WL 2576394 (D. Del. Sept. 5, 2025), *appeal dismissed*, No. 2025-2150, 2025 WL 2911335 (Fed. Cir. Oct 14, 2025); Dkt. No. 29. Not every patent found invalid on 101 grounds under the holding in *Recentive* can be exceptional. This is not one of those exceptional cases.

The plaintiff’s position here is like that in *Election Systems*. I found the plaintiff’s argument in favor of the patentability of the three asserted patents to be unpersuasive, but the argument was



not frivolous. Thus, this case cannot be judged exceptional on the basis of the weakness of the plaintiff's section 101 argument on the merits.

## **2. Vexatious Litigation Strategy in Section 101 Cases**

There is a second category of cases in which judges of this court (like judges elsewhere) have granted attorney fee awards after holding patents ineligible under section 101. In that category, the court concluded that the patentees were found to have either used their patents as cudgels to extract settlements rather than engage in a good faith effort to protect their intellectual property rights, or the plaintiffs have engaged in other vexatious litigation conduct. Cases falling into that category include two from this district, *Wireless Discovery LLC v. eHarmony, Inc.*, No. 22-480, 2024 WL 3825279 (D. Del. Aug. 15, 2024) (Judge Williams); and *Rothschild Digital Confirmation, LLC v. CompanyCam, Inc.*, 494 F. Supp. 3d 263 (D. Del. 2020) (Judge Noreika). Recent similar cases from other courts are *AML IP, LLC v. Aero Global, LLC*, 23 Civ. 11264, 2025 WL 2673691 (S.D.N.Y. Sept. 18, 2025); and *Linfo IP, LLC v. Aero Global, LLC*, 24 -cv-2952, 2025 WL 2924439 (S.D.N.Y. Oct. 15, 2025).

In *Wireless Discovery*, Judge Williams catalogued a number of missteps by the plaintiff that contributed to the court's finding that the case was exceptional: (1) the plaintiff asserted claims that had previously been invalidated on indefiniteness grounds; (2) the plaintiff's briefing that opposed dismissal on section 101 grounds was "littered with conclusory arguments"; (3) the briefing contained "little to no argument beyond repeating the wording of the patent"; (4) the section 101 briefing consisted largely of "a misplaced enablement argument"; (5) the plaintiff, although disputing representativeness, failed to provide "any meaningful argument for the distinctive significance of any claim limitations"; (6) the plaintiff provided "little to no argument as to how the patent claims are different from the bevy of similar social media patents that have

been invalidated”; and (7) the claims of the asserted patents consisted of “quintessential ‘apply it with a computer’ claims.” *Wireless Discovery*, 2024 WL 3825279, at \*2–3 (citation omitted). To top it off, the court explained:

Even when faced with the authority demonstrating the weakness of the ’875 patent, Wireless Discovery doubled down by improperly amending its complaint. Upon amendment, Wireless Discovery did not add new factual allegations, or even remove the collaterally estopped claims. . . . Instead, Wireless Discovery merely added more patents and continued on with litigation, serving discovery and inflicting costs. . . . Wireless Discovery’s litigation strategy in this case ‘stands out from the others,’ and thus justifies the awarding of costs.

*Id.* at \*3 (quoting *Octane Fitness*, 572 U.S. at 554).

In the *Rothschild Digital* case, Judge Noreika held the asserted claims of the patent in suit to be ineligible under section 101 but expressed doubt as to whether the plaintiff’s position on that issue was so weak as to warrant finding the case to be exceptional. She pointed out that section 101 jurisprudence “is hardly straightforward and rarely lends itself to easily predicted outcomes.” *Rothschild Digital*, 444 F. Supp. 3d at 266. She concluded that “it is a rare case when it is clear—at the outset or otherwise—that a patent will fall under § 101.” *Id.* Judge Noreika found the *Rothschild Digital* case exceptional not just in the weakness of the section 101 argument, but also in the vexatious nature of the litigation. Although she concluded that the plaintiff’s case with respect to the section 101 issues was “relatively weak,” she stated that “[i]f that were the only basis for Defendant’s motion, . . . the Court likely would not find this case to be exceptional.” *Id.* at 268. Instead, she focused on the fact that the plaintiff had asserted the patent-in-suit numerous times against a broad swath of defendants and that almost none of those cases had advanced beyond the pleadings stage. Moreover, the court found that while the plaintiff had dismissed its case against the defendant-in-suit before the court’s dismissal order was entered, the plaintiff also

prolonged the litigation against other defendants “before giving up when called to face the Court.” *Id.* Under the totality of the circumstances, the court found the case to be exceptional. *Id.*

### **3. ConGlobal’s Case**

This case has none of the qualities that have led courts to enter fee awards under section 285 in the two classes of cases discussed above. Although Roboflow seeks to paint ConGlobal’s conduct as having elements of bad faith, the record does not support that characterization. Like Judge Andrews in each of his cases other than *Finnavations*, I find that the patentee’s position in this case, although unpersuasive, was not frivolous and thus does not satisfy the “exceptional case” requirement of section 285. ConGlobal’s arguments on the section 101 issue were professional in substance, engaging with the case law and presenting ConGlobal’s position responsibly even if, ultimately, unpersuasively.

As noted, it is often difficult to distinguish between a merely losing argument and a truly frivolous one. That is particularly true in less predictable areas of law, such as the section 101 jurisprudence as it has developed in the years following the Supreme Court’s decision in *Alice*. *See Rothschild Digital*, 494 F. Supp. 3d at 266; *Device Enhancement LLC v. Amazon.com, Inc.*, 189 F. Supp. 3d 392, 401 & n.12 (D. Del. 2016) (Robinson, J.) (“Given the evolving state of the law, the § 101 analysis . . . is a difficult exercise” and “therefore, not an exercise that lends itself to, e.g., shifting fees pursuant to 35 U.S.C. § 285.”).

In addition to the uncertainties surrounding section 101 law, an important consideration in assessing the strength of a patentee’s claims in a section 101 case is that the patentee has an issued patent that is entitled to the presumption of validity, which can be invalidated only on a showing by clear and convincing evidence. Thus, a plaintiff-patentee is entitled to assume that his patent will be upheld unless the case for invalidity or ineligibility is particularly clear. *See Ceiva Opco*,

*LLC v. Amazon.com, Inc.*, No. 2:22-cv-2709, 2024 WL 5317282, at \*3 (C.D. Cal. Nov. 27, 2024) (“A patent holder has the right to vigorously enforce its presumptively valid patent. . . . Moreover, courts recognize that, given the evolving state of the law, the § 101 analysis should be, and is, a difficult exercise.”) (quotation modified); *Lyft, Inc. v. Quartz Auto Techs. LLC*, No. 21-cv-1871, 2024 WL 1772839, at \*3 (N.D. Cal. Apr. 23, 2024) (same); *St. Spirit IP LLC v. eHarmony, Inc.*, No. 2:23-cv-2252, 2023 WL 9420496, at \*2 (C.D. Cal. Nov. 22, 2023) (same); *Konami Gaming Inc. v. High 5 Games, LLC*, No. 2:14-cv-1483, 2021 WL 6497033, at \*3 (D. Nev. Oct. 25, 2021), *aff’d*, No. 2022-1370, 2023 WL 2487303 (Fed. Cir. Mar. 14, 2023) (“[A] patent holder is entitled to presume the validity of its patent and engage in a good-faith effort to enforce its perceived rights under the patent.”) (citation omitted); *DietGoal Innovations*, 2015 WL 1284826, at \*2 (“The Court . . . is not persuaded that DietGoal’s arguments in support of the validity of the ’516 patent were wholly frivolous, particularly in light of the presumption of validity.”). To say that a case is “exceptional” if the section 101 argument for ineligibility is anything less than immediately apparent would be inconsistent with that principle.

In this case, the examiner had initially rejected the claims of one of the patents on section 101 grounds, but after the patentee amended the claims, the examiner was satisfied that the claims were patent eligible. To be sure, the fact that an examiner issued the patent is not sufficient to shield the claims from a section 101 challenge on the merits. *See Beteiro, LLC v. DraftKings Inc.*, 104 F.4th 1350, 1359 (Fed. Cir. 2024) (quoting *Elec. Commc’n Techs. LLC v. ShoppersChoice.com, LLC*, 958 F.3d 1178, 1183 (Fed. Cir. 2020)). If it were, an issued patent would never be invalidated on section 101 grounds. But where, as here, the examiner explicitly addressed the section 101 issue and was satisfied that the section 101 issue had been resolved after amendments were made to the claims, the examiner’s view of the matter is a consideration that

provides at least some support for ConGlobal’s good faith belief that the patents had a reasonable chance of surviving a challenge based on patent ineligibility.<sup>3</sup>

In sum, the answer to Roboflow’s argument directed to the weakness of ConGlobal’s position with respect to the section 101 issue is that while I found ConGlobal’s position to be unpersuasive, it was not so frivolous as to stand out as “exceptional” among the positions taken by patent owners who have unsuccessfully defended their patents against section 101 challenges. Under the totality of the circumstances, I therefore find that this case is not “exceptional” and that an award of attorney fees under section 285 is not warranted.

### **B. ConGlobal’s Initial Choice of Venue as Litigation Misconduct**

Roboflow’s second argument in support of its motion for attorney fees is that ConGlobal acted improperly when it initially filed this case in the United States District Court for the Northern District of Illinois, thereby imposing additional costs on Roboflow, which was burdened by having to seek dismissal or transfer of that action based on improper venue.

The facts relating to the venue issue are as follows: On March 17, 2025, a month after ConGlobal filed its complaint in Illinois, Roboflow’s counsel sent an 11-page letter to counsel for

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<sup>3</sup> There is a split among district courts as to whether an examiner’s conclusion, after analyzing the claims for eligibility in light of section 101, should be given any weight in assessing the patentee’s good faith and reasonableness in asserting its patent, as part of the “exceptional case” analysis. *Compare Finn timers LLC v. Payoneer, Inc.*, 2019 WL 1236358, at \*2 (no), *with Perry St. Software, Inc. v. Jedi Techs., Inc.*, No. 20 Civ. 4539, 2021 WL 6052197, at \*3 (S.D.N.Y. Dec. 21, 2021) (yes); *CertusView Techs., LLC v. S & N Locating Servs. LLC*, 287 F. Supp. 3d 580, 588 (E.D. Va. 2018) (yes); *MyHealth, Inc. v. ALR Techs., Inc.*, No. 2:16-cv-535, 2017 WL 6512221, at \*4 (E.D. Tex. Dec. 19, 2017), *report and recommendation adopted*, No. 2:16-cv-535, 2018 WL 11327219 (E.D. Tex. Nov. 30, 2018) (yes, under appropriate circumstances); *and Garfum.com Corp. v. Reflections by Ruth*, No. CV 14-5919, 2016 WL 7325467, at \*4 (D.N.J. Dec. 16, 2016) (yes). I agree with those courts that have held that in the context of a section 285 motion, an examiner’s conclusion as to the eligibility of a claim notwithstanding section 101 is at least a consideration supporting the reasonableness of the patentee’s decision to assert the patent in the face of a defendant’s section 101 challenge. It thus weighs against imposing a fee award following an adverse decision on the merits of the section 101 challenge.

ConGlobal urging ConGlobal to dismiss the complaint. Dkt. No. 31-1, Exh. 2. Most of the letter was addressed to issues of patent infringement and validity. In fact, Roboflow devoted only a single sentence in the letter to the venue issue, asserting that “there is no basis for venue in [the Northern District of Illinois] because Roboflow is not incorporated in Illinois, does not reside in the Northern District of Illinois, and does not have a regular and established place of business in that district.” Dkt. No. 31-1, Exh. 2 at 2.

Two weeks later, ConGlobal’s counsel responded with a return letter addressing the issues raised in Roboflow’s letter. In the course of the return letter, ConGlobal’s counsel stated that ConGlobal had reason to believe that Roboflow “has committed acts of infringement in this district, regularly conducts business in this district, and has a sufficient physical presence” in the Northern District of Illinois to satisfy the venue statute for patent cases. *Id.*, Exh. 3 at 2–3. ConGlobal’s counsel added, however, that “should Roboflow produce any credible evidence unequivocally establishing that it has not sold, offered for sale, used, or offered for use in this judicial district, or that Roboflow has not regularly conducted business in this judicial district, ConGlobal would take such information under advisement and consider its options accordingly.” *Id.* at 3.<sup>4</sup>

Roboflow does not assert that it responded to ConGlobal’s invitation to offer proof that Roboflow’s complaint in the Northern District of Illinois failed to satisfy the patent venue statute,

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<sup>4</sup> Roboflow states in its reply brief that “ConGlobal insisted that even if Roboflow provided ‘credible evidence unequivocally’ establishing that it had no presence in the Northern District of Illinois, it still would not dismiss or transfer its case.” Dkt. No. 38 at 6. That characterization of ConGlobal’s position is inaccurate. ConGlobal did not say that it “still would not dismiss or transfer its case.” In saying that ConGlobal said take [Roboflow’s] information under advisement and consider its options accordingly,” ConGlobal was obviously indicating that if it were satisfied with the evidence Roboflow produced, it would consider transferring or dismissing the Illinois case. Dkt. No. 31-1, Exh. 3 at 3.

28 U.S.C. § 1400(b). Instead, on April 1, 2025, a month after ConGlobal's response letter, Roboflow filed a motion to dismiss the action. Dkt. No. 31-1, Exh. 4. The motion was mainly directed to challenging ConGlobal's allegations of infringement and asserting that ConGlobal's patents were ineligible for patenting under section 101. The final page and a half of the motion, however, addressed the venue issue, contending that the complaint should be dismissed or the case transferred to the Northern District of California. *Id.* at 14–15. In the motion, Roboflow asserted that it does not have an office or other regular physical presence in the Northern District of Illinois, that it does not maintain a mailing address or a telephone listing in Illinois, that it is not registered to do business in Illinois, and that it does not employ anyone who resides in the Northern District of Illinois. *Id.* at 15. Roboflow supported those assertions with a declaration by Kate Wagner, Roboflow's Head of Operations. *See All Terminal Servs., LLC v. Roboflow, Inc.*, No.1:25-cv-1836 (N.D. Ill.), Dkt. No. 22-4. Two weeks later, without filing a responsive pleading, ConGlobal voluntarily dismissed its action in the Northern District of Illinois. Dkt. No. 31-1, Exh. 5. The following day, ConGlobal filed the present action in the District of Delaware. Roboflow does not contend that venue is improper in this district.

In challenging ConGlobal's decision to file this action initially in the Northern District of Illinois, Roboflow focuses on two aspects of ConGlobal's conduct: (1) ConGlobal's failure to conduct a more thorough investigation of the venue issue, which would have revealed that Roboflow had no regular and established place of business in the Northern District of Illinois; and (2) ConGlobal's failure to respond to Roboflow's March 17, 2025, letter by dismissing its Illinois action at that time instead of waiting until Roboflow filed its motion to dismiss, in which Roboflow supported its challenge to ConGlobal's venue allegations with the declaration from Ms. Wagner. I address each of those contentions separately.

1. With respect to the argument that ConGlobal did not conduct a sufficient investigation before filing its complaint in Illinois, ConGlobal asserted in its brief that in making the decision to file in Illinois it had relied on information on a Roboflow website. Dkt. No. 37 at 2–3. At oral argument on the motion for fees, however, ConGlobal was not able to point to anything on the website that showed that Roboflow had a regular and established place of business in the Northern District of Illinois. Consequently, I invited ConGlobal to submit supplemental information regarding the reasons for its belief that Roboflow had a physical presence in that district. To address my questions, ConGlobal filed declarations from its outside counsel and from Paul Kleppetsch, an attorney responsible for the legal functions of ConGlobal. Dkt. No. 43. Roboflow subsequently filed a brief in response. Dkt. No. 44.

In his declaration, Mr. Kleppetsch stated that in 2024 he learned of the [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Dkt. No. 43, Exh. 1 at 1–2. That information was brought to his attention, Mr. Kleppetsch said, by another officer in his company who obtained the information from a railway company with operations in various facilities in the Northern District of Illinois, including the facility operated by ConGlobal. *Id.* at 2. Mr. Kleppetsch added that ConGlobal suspected that Roboflow had also installed its hardware and systems in another railway company’s facilities in the Northern District of Illinois based on a Roboflow press release referring to a “partnership” with that company. *Id.*

Mr. Kleppetsch explained that it was his understanding that installing yard management systems at those locations would include permanent equipment and that such installations would require one or more Roboflow employees to be on site to install the equipment and initiate the



operation of the yard management systems. *Id.* at 2–3. In addition, he said that it was “ConGlobal’s understanding that the scope of these installations would have likely involved at least one employee having a physical location in the Northern District of Illinois to oversee the installations, day-to-day operations, and other services on-site at these facilities.” *Id.* at 3. According to Mr. Kleppetsch, ConGlobal believed that those activities

would have included functions such as establishing and overseeing data flows, pushing or installing configuration upgrades, confirming device registrations, operating and maintaining the physical hardware necessary to operate the yard management system, effectuating updates and troubleshooting, updating firmware and software, recalibrating equipment and their components, ongoing quality assurance and quality control checks, and other similar functions that could or likely would, require an on-site Roboflow employee.

*Id.* at 3–4.

Based on those observations and other specified information, Mr. Kleppetsch concluded that it appeared to ConGlobal that Roboflow had a “sufficient physical presence in the Northern District of Illinois to establish venue there.” *Id.* at 4.

ConGlobal’s outside counsel, Matthew Zapadka, submitted a declaration stating that in light of the facts set forth in Mr. Kleppetsch’s declaration, ConGlobal had a good faith basis “to believe that Defendant had a regular and established place of business in the Northern District of Illinois based on its ongoing installation, operation and oversight of Defendant’s systems in the Northern District of Illinois.” Dkt. No. 43, Exh. 2 at 2. In addition, Mr. Zapadka stated that ConGlobal believed Roboflow’s relationship with the railroad operators in the district constituted a sufficiently close relationship “to demonstrate the establishment of a regular and established place of business” in the district. *Id.*

In its brief in response to ConGlobal’s submission, Roboflow argued that Mr. Kleppetsch lacked personal knowledge of the facts recited in his declaration, and that his information was

based on hearsay and speculation. Dkt. No. 44 at 1–3. In addition, Roboflow asserted that even if Roboflow hardware had been installed at a railyard in the Northern District of Illinois, that would not necessarily indicate that Roboflow had a regular and established place of business in the district. *Id.* at 3. Similarly, Roboflow argued that even if ConGlobal was correct that Roboflow needed to have an employee based in the Northern District of Illinois to install and maintain its equipment in that district, that would not necessarily mean that Roboflow had a regular and established place of business there. *Id.* at 5.

Contrary to the suggestion in Roboflow’s response, the reasonableness of ConGlobal’s belief that venue lay in the Northern District of Illinois does not turn on whether ConGlobal’s attorney had personal knowledge of the facts related in his declaration or whether his declaration contained hearsay that would not be admissible in a trial. It was not necessary for ConGlobal to obtain declarations from persons with personal knowledge of Roboflow’s activities in the district in order to explain why ConGlobal believed venue was proper in that district, and to show that ConGlobal’s belief was not so unreasonable as to render this an exceptional case within the meaning of section 285. Lawyers frequently make strategic judgments in litigation while relying on information that would not satisfy the evidentiary rules governing the admissibility of evidence at trial, and there is nothing inappropriate about Mr. Kleppetsch’s relying on such information in this instance.

The more serious problem with Mr. Kleppetsch’s declaration is that, even accepting everything in his declaration as true, the declaration does not clearly establish that Roboflow had a “regular and established place of business” in the Northern District of Illinois. As Roboflow points out, the allegation that Roboflow had [REDACTED]

[REDACTED]

[REDACTED], as Mr. Kleppetsch asserts, does not lead inexorably to the conclusion that Roboflow had a regular and established place of business there. That is true even in light of Mr. Kleppetsch's allegation that Roboflow's installation of its yard management system at locations within the Northern District of Illinois would have included permanent equipment, such as optical image capturing devices, computing devices, servers, and similar equipment.

If the question before the court were whether that evidence was sufficient to support venue in the Northern District of Illinois, I would conclude that it is not. The work referred to by Mr. Kleppetsch could conceivably be done by a Roboflow employee who was present in the district on a transitory basis, or even a Roboflow employee who lived in the district but did not work out of a Roboflow office or other regular and established Roboflow place of business.

But the question before the court is not whether the evidence set forth in Mr. Kleppetsch's declaration would be sufficient to satisfy ConGlobal's burden of proving that venue was proper in the Northern District of Illinois. Rather, the question is whether it was unreasonable for ConGlobal to believe that the evidence adduced by Mr. Kleppetsch was sufficient to satisfy the patent venue statute, or, more precisely, whether it was so unreasonable for ConGlobal to believe that venue was proper in the Northern District of Illinois that this case should be deemed "exceptional" within the meaning of section 285.

The cases cited by Roboflow that apply the patent venue statute, 28 U.S.C. § 1400(b), all address the merits of the question whether the plaintiff has established venue in the district in which the complaint was filed. It is reasonably clear that the evidence proffered by Mr. Kleppetsch would not be sufficient to satisfy ConGlobal's burden to establish venue in the Northern District of Illinois. *See In re ZTE (USA), Inc.*, 890 F.3d 1008, 10013 (Fed. Cir. 2018). But in light of Mr. Kleppetsch's allegations regarding the installation and maintenance of Roboflow equipment in

railyards in the Northern District of Illinois, it is not fanciful to infer from that information that Roboflow must have had a non-transitory business presence in the district in order to perform those ongoing services. I conclude that ConGlobal's decision to file this case in the Northern District of Illinois was based on a good faith, if mistaken, belief that the information in its possession was sufficient to support venue there. I therefore disagree with Roboflow's contention that ConGlobal's initial filing in Illinois constituted litigation misconduct that would by itself justify the imposition of attorney fees.

2. I also disagree with Roboflow's argument that the sequence of events relating to the venue issue demonstrates that ConGlobal's response to Roboflow's objections to the filing in Illinois constitutes exceptional litigation misconduct of the sort that would justify imposing an attorney fee award on ConGlobal. Roboflow paints ConGlobal's response to Roboflow's objections to the filing of the complaint in the Northern District of Illinois as obdurate refusal to acknowledge the error in filing in that district. The record does not support that characterization.

As noted, Roboflow challenged ConGlobal's choice of venue (as well as the merits of ConGlobal's infringement claims) a month after ConGlobal filed its complaint. In a letter in response to Roboflow's letter, ConGlobal invited Roboflow to provide it with evidence that Roboflow did not have a presence in the Northern District of Illinois that was sufficient to satisfy the patent venue statute. Insofar as the record reflects, Roboflow did not respond to that informal invitation for Roboflow to point to evidence that it did not have a presence in Illinois; instead, Roboflow filed its motion to dismiss. It was in that motion that Roboflow for the first time provided a declaration by an officer of Roboflow to support its contentions relating to the venue issue. And when it did so, ConGlobal dismissed its action in Illinois within two weeks and refiled the action in this court.

Had Roboflow provided ConGlobal with “credible evidence,” such as Ms. Wagner’s declaration, in response to ConGlobal’s request for proof (other than attorney assertions) that Roboflow had no physical presence in the Northern District of Illinois, ConGlobal might well have voluntarily dismissed its original complaint in that district without the need for Roboflow to move for dismissal on venue grounds. After all, when Roboflow filed its motion to dismiss with Ms. Wagner’s declaration attached, ConGlobal promptly dismissed its action in that district. Under these circumstances, I do not find that the series of events relating to the venue issue provides a sufficient ground on which to base a finding that ConGlobal’s conduct with regard to the venue issue was so clearly improper as to render the case “exceptional” within the meaning of section 285.<sup>5</sup>

### **C. An Attorney Fee Award Under the Court’s Inherent Equitable Powers**

Roboflow argues that even if attorney fees are not awarded under the “exceptional cases” rubric of section 285, they should be awarded under the court’s inherent equitable powers. As noted earlier, however, the Supreme Court and the Federal Circuit have made it clear that the

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<sup>5</sup> Even if I were to award attorney fees for the expenses associated with ConGlobal’s initial filing in the Northern District of Illinois, the amount of the award would be minimal. The case was pending in the Northern District of Illinois for less than two months, and very little happened during that time. Roboflow’s litigation activities in the Illinois court were limited to filing its motion to dismiss and a 15-page brief in support of that motion. The venue challenge in that brief occupied only a page and a half, and it required little more than presenting Ms. Wagner’s short declaration and citing the Supreme Court’s decision in *TC Heartland LLC v. Kraft Foods Grp. Brands LLC*, 581 U.S. 258 (2017), which stands for the proposition that a corporation may be sued for patent infringement only (1) in a district within a state where it is incorporated and (2) in a district where it has committed acts of infringement and has a regular and established place of business. The rest of the dismissal brief filed in the Illinois court is quite similar to the brief in support of the motion to dismiss filed in this court. Compare *All Terminal Servs., LLC v. Roboflow, Inc.*, No. 1:25-cv-01836 (N.D. Ill.), Dkt. No. 22, at 3–14, with *All Terminal Servs., LLC v. Roboflow, Inc.*, No. 25-476 (D. Del.), Dkt. No. 16, at 3–21. For that reason, the marginal fees resulting from the initial filing in Illinois would consist mainly of the costs of briefing the venue issue in the Illinois case and revising the initial brief on the merits of the motion to dismiss for filing in Delaware, neither of which could have entailed significant attorney time.

exercise of the Court’s inherent equitable powers to award attorney fees is limited to cases in which the sanctioned party has litigated in bad faith, or has acted vexatiously, wantonly, or for oppressive reasons. Put another way, the courts’ use of their inherent authority to impose sanctions under their equitable powers has been held to be reserved for cases in which the district court makes a “finding of fraud or bad faith whereby the ‘very temple of justice has been defiled.’” *Amsted Indus. Inc. v. Buckeye Steel Castings Co.*, 23 F.3d 374, 378 (Fed. Cir. 1994) (quoting *Chambers v. NASCO, Inc.*, 501 U.S. 32, 46 (1991)). Courts have therefore recognized that a party seeking sanctions under a court’s inherent powers faces a more stringent standard than under section 285. *Inventor Holdings, LLC v. Bed Bath & Beyond Inc.*, No. 14-448, 2016 WL 3090633, at \*4 (D. Del. May 31, 2016), *aff’d*, 876 F.3d 1372 (Fed. Cir. 2017); *Howlink Glob. LLC v. Centris Info. Servs.*, No. 4:11-cv-71, 2015 WL 216773, at \*6 (E.D. Tex. Jan. 8, 2015). Given that I have rejected Roboflow’s motion for fees under section 285 with respect to the weakness of ConGlobal’s legal position under section 101 and its initial choice of venue in Illinois, there is no force to Roboflow’s separate contention that fees should be awarded under this court’s equitable powers.

The Federal Circuit’s decision in *Realtime Adaptive Streaming LLC v. Netflix, Inc.*, 41 F.4th 1372 (Fed. Cir. 2022), provides a useful contrast to the facts of this case in a somewhat analogous setting, but where the district court awarded fees. In that case, Realtime filed an action in the District of Delaware asserting six patents against Netflix. In response, Netflix moved to dismiss the complaint based on various grounds, including asserting that four of the six patents were ineligible under section 101. While Netflix’s motion to dismiss was pending, Netflix also moved to transfer the case to the Northern District of California for convenience. Realtime opposed the motion to transfer on the ground that Realtime lacked any connection to California and that forcing it to litigate there would be unduly burdensome. The district court in Delaware denied the motion

to transfer, and a magistrate judge in Delaware subsequently issued a detailed report and recommendation advising the district court to find the four patents challenged under section 101 to be ineligible.

Realtime then moved to amend its complaint, pointing to various related patents that it contended would help show that its asserted patents were valid. In parallel actions brought against other defendants, however, the district court invalidated all of those other related patents. Shortly thereafter, and before the district court could rule on the magistrate's ineligibility recommendation as to the patents-in-suit, Realtime voluntarily dismissed its Delaware complaint.

But Realtime then filed two new actions in the Central District of California, which had already reached a more favorable conclusion on the patent-eligibility issue for some of the asserted claims. Netflix then moved to transfer the California actions back to Delaware and sought attorney fees. Realtime opposed the transfer, this time arguing that California was the more convenient forum, even though Realtime had originally selected Delaware as its preferred forum and had opposed the motion to transfer from Delaware to California, and even though Delaware judges had spent considerable time and effort on the case. Finally, before the district court in California ruled on Netflix's motion to transfer and its motion for fees, Realtime voluntarily dismissed both California actions.

The district court concluded that Realtime's litigation conduct justified awarding fees for the California actions, and the Federal Circuit affirmed the award. As the court of appeals described the matter, Realtime's conduct did not amount to simply refile in another district; it was "a misuse of the ability to refile to wipe the slate clean when the Delaware action was on the eve of issuing a potentially adverse merits ruling, and then to select a new forum that clashed with Realtime's prior litigation position." *Realtime Adaptive Streaming*, 41 F.4th at 1379.

ConGlobal's conduct about which Roboflow complains does not even remotely approach the conduct that was at issue in the *Realtime* case. ConGlobal initially filed its complaint in Illinois. But when Roboflow provided proof in its motion to dismiss that Roboflow did not have a physical presence in Illinois, ConGlobal promptly dismissed its action and refiled it in a district where venue was indisputably proper.

In sum, unlike in the *Realtime* case, there was nothing in ConGlobal's conduct in this case indicative of bad faith or other serious misconduct of the sort that would warrant an award of attorney fees under the court's inherent authority.

### **III. Conclusion**

ConGlobal's position with respect to the asserted patents was not so weak, and ConGlobal's initial selection of venue was not so clearly improper or abusive as to render the case exceptional for purposes of an award of fees under 35 U.S.C. § 285. Roboflow also fails to show ConGlobal's conduct rises to the level of bad faith, or vexatious, wanton, or oppressive litigation conduct warranting the court's exercise of its inherent equitable powers.

Roboflow's motion for an award of attorney fees is denied.


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This memorandum opinion and order is being filed under seal in an excess of caution, because the supplemental submissions of the parties were both filed under seal. Within three business days of the issuance of this order, the parties are directed to advise the court by letter whether they wish any portions of the order to remain under seal, and if so, which portions. Any request that portions of this order should remain under seal must be supported by a particularized showing of need to limit public access to those portions of the order.



IT IS SO ORDERED.

SIGNED this 22nd day of December, 2025.

A handwritten signature in black ink, reading "William C. Bryson". The signature is written in a cursive style with a horizontal line underneath it.

WILLIAM C. BRYSON  
UNITED STATES CIRCUIT JUDGE