



## Licensing Evidence of Nonobviousness Does Not Require Claim-Specific Nexus

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The Federal Circuit recently vacated a decision by the Patent Trial and Appeal Board after concluding that the board's analysis of licensing evidence offered as a secondary consideration of nonobviousness constituted legal error and was not supported by substantial evidence. According to the court, the board applied a more exacting and improperly heightened nexus standard than is required by law for license evidence.

After the board issued final written decisions concluding that claims of the challenged patent were unpatentable as obvious, patentee appealed. Among the issues raised on appeal, patentee contended that the board erred in analyzing nexus for two secondary considerations of nonobviousness: industry praise and licensing.

Regarding industry praise, the court upheld the board's finding that the patentee failed to establish a nexus between the challenged claims and a joint press release as well as an agreement. Although the press release directly named the challenged patent and the agreement concerned products using the patent, the board found that the praise was directed to the patent generally—not to the specific challenged claims.

The court, however, determined that the board's treatment of licensing evidence was in error. The board had found no nexus between the challenged claims and two licenses entered during litigation settlements. According to the board, the patentee failed to establish that the licenses resulted directly from the unique characteristics of the claimed subject matter of the patent. Moreover, the board noted that portions of the licenses were redacted and therefore it could not discern the precise terms.

The court called this “too strict a requirement” and stated that the board applied a higher nexus standard than is required for licensing evidence. Unlike product-based evidence—which may incorporate many features unrelated to the claimed invention—licenses are by their nature directly tied to the patented technology and reflect its market value. The court emphasized that a license to the challenged patent does not require a nexus with respect to the specific claims at issue, nor must the challenged patent be the only patent licensed.

Here, the court noted that the licenses at issue specifically identified the challenged patent by number and that the patent was clearly a subject of these agreements. Moreover, the licenses were entered into near the end of litigation involving the same claims and prior art as here, and the payments far exceeded the anticipated litigation cost. The court directed that, on remand, the board should evaluate the nexus issue regarding these licenses and then weigh that evidence against the prima facie case of obviousness.

Relatedly, the board did not evaluate the petitioners’ arguments regarding licenses to the challenged patent with other companies for much less than the anticipated litigation costs. The court stated that the board should also consider nexus, and the probative value of those licenses weighed against the licenses on which the patentee relied for its commercial success argument.

**Practice Tip:**

When faced with an obviousness challenge, a patentee should consider whether any licenses to the challenged patent can be used as objective indicia of non-obviousness. Because of the less exacting nexus standard for license evidence, the patentee need not establish that the license resulted directly from the unique aspects of the challenged claims. Moreover, the patentee should consider relying on a license even when it includes other patents in addition to the challenged patent.

*Ancora Techs., Inc. v. Roku, Inc.*, No. 2023-1674, 2025 WL 1679967 (Fed. Cir. June 16, 2025)

## Categories

Patent Trial & Appeal Board

Non-Obviousness

Patent Law

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