

## [IP Litigator, \*Causam v. ITC: A News Development and Potential Cautionary Tale in Patent Assignments, \(Jan. 1, 2026\)\*](#)

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### ***Causam v. ITC: A News Development and Potential Cautionary Tale in Patent Assignments***

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In the recent case *Causam Enterprises, Inc. v. International Trade Commission*, No. 2023-1769 (Fed. Cir. Oct. 15, 2025), the United States Court of Appeals for the Federal Circuit (the “CAFC”) found that an invention assignment agreement that broadly assigned the “invention” of a patent application nonetheless did not transfer rights in a “continuation-in-part” of that patent application. This decision counsels companies active in the patent space to review their form employment or invention assignment agreements to ensure that they include a specific assignment of “continuations-in-part,” and to review existing patent assignment agreements to ensure appropriate language has been included.

## **Case Background**

The case stemmed from a dispute over patents related to electrical utilities’ ability to reduce demand for power. Causam Enterprises, Inc. (“Causam”) asserted several patents, including U.S. Patent 10,394,268 (the “’268 patent”), in a complaint before the International Trade Commission (“ITC”) against several smart-thermostat respondents, including Resideo Smart Homes Technology (Tianjin) and its domestic affiliate Ademco, Inc. (collectively, “Resideo”), alleging that they and the other respondents were violating Section 337 of the Tariff Act of 1930 by importing and selling certain infringing internet-connected “smart” thermostats. Among other defenses, Resideo and the other respondents contended that Causam did not own the ’268 patent because it had been previously assigned to a third party. The ITC’s chief administrative law judge agreed and denied relief under Section 337, also finding that even if Causam owned the ’268 patent, it was not infringed. The full ITC commission adopted the noninfringement finding, but did not take a position on the issue of ownership of the ’268 patent. Causam appealed both the noninfringement determination and the finding of a lack of ownership, arguing that the latter is a threshold issue for appeal at the CAFC.

In its appeal to the CAFC, Causam asked the CAFC to hold that it owns the ’268 patent, arguing that ownership was a threshold question because, without ownership of the ’268 patent, Causam would lack the injury in fact necessary to have standing in the court.

## **CAFC Analysis of the Assignment**

The patent family at issue and assignment history were complex. In 2007, Inventor Joseph Forbes (“Mr. Forbes”) assigned Application No. 11/895,909 (the “’909 application”) to America Connect, Inc. (“America Connect”) in an assignment that transferred to America Connect ownership of the “[i]nvention” of the ’909 application and “all patents which may be granted therefor” and “all divisions, reissues, continuations, and extensions thereof.” Note that this assignment did not expressly list “continuations-in-part.”

Later, during his tenure as an employee at Consert, Inc. (“Consert”), the successor-in-interest to America Connect, Mr. Forbes executed a number of agreements with Consert that included an assignment of rights of

various patents, but those assignments also did not include Application No. 13/463,761 (the “761 application”), which was a continuation-in-part of a continuation of a division of the ’909 application.

Then, in 2014, Mr. Forbes executed an assignment to Causam of Application No. 14/456,306 (the “306 application”) that included “continuations in whole or in part” of such application. The ’306 application was a continuation of the ’761 application and was the direct parent of Application No. 15/618,981 (the “981 application”). The ’268 patent issued from the ’981 application. Resideo and the other respondents argued, and the ITC found, that Mr. Forbes’s assignments to America Connect and Consert conveyed the ’981 application, and by extension the ’268 patent to Consert, and thus that he did not assign it to Causam in 2014.

The CAFC disagreed and overturned the ITC’s finding. The CAFC observed that the issue of ownership of the ’268 patent came down to an issue of contract law and held that the 2007 assignment to America Connect and subsequent assignments to Consert did not cover the ’761 continuation-in-part application, and that, therefore, Mr. Forbes still owned the application when he executed the 2014 patent assignment with Causam. In other words, the CAFC held that as a result of the omission of “continuations-in-part” from the 2007 assignment, this assignment did not affect Mr. Forbes’s rights in the ’761 application, nor, by extension, the ’268 patent (which issued on a continuation of a continuation of the ’761 application). As a result, Mr. Forbes still owned the ’761 application and its progeny in 2014 and assigned them to Causam as part of the assignment of the ’306 application, which was the direct parent of the ’981 application on which the ’268 patent issued.

The CAFC rejected Resideo’s and the other respondents’ contention that the word “continuations” in the 2007 assignment should be read to include “continuations-in-part.” The CAFC found that such an inclusion would amount to inserting words into the contract that the parties never agreed to, since continuations and continuations-in-part are so widely understood to be different. Continuations and continuations-in-part are practically and legally distinct, and the CAFC found that an inventor could potentially want to assign away continuations of an invention and keep the rights to continuations-in-part, given that, unlike continuations, continuations-in-part include additional inventive subject matter beyond what was in the original application. Additionally, for a continuation, recordation of the assignment of the parent is effective as to the child, but the same is not true of a continuation-in-part.

## Implications for Patent Assignment Agreements

The CAFC’s holding in this case has implications for both existing and future patent assignments. Existing invention assignment agreements may not have actually assigned ownership of continuations-in-part if the term “continuations-in-part” was not used in the assignment language. This may be true even if the assignment agreements include a broad assignment to “inventions” or an assignment of “continuations.”

In light of the recent decision, here are some considerations for companies and individuals:

- **Form employment or invention assignment agreements** should be reviewed to ensure they include a specific assignment of continuations-in-part.
- **Existing patent assignments** may also need to be reviewed to ensure that appropriate language has been included.
- **Present assignment language** (e.g., “employee hereby assigns”) should be used in the assignment of inventions.
- **“Inventions”** should be defined broadly in invention assignment agreements, even though assigning “inventions” will likely not include continuations-in-part without additional language.
- **Other patent progeny and related rights**, such as “continuations, divisionals, reissues, reexaminations, substitutions, extensions, patents of addition, certificates of correction, supplementary protection certificates, foreign counterparts, PCTs, national-phase entries, and priority/benefit rights” should be expressly included in patent assignments.
- **Implementing additional best practices** may also be beneficial, including adopting practices of obtaining and recording per-application confirmatory assignments and promptly recording assignments.