United States Court of Appeals for the Federal Circuit

T-MOBILE US, INC., T-MOBILE USA, INC.,
Plaintiffs-Appellants

v.

KAIFI LLC,
Defendant-Appellee

2025-1006

Appeal from the United States District Court for the Eastern District of Texas in No. 2:22-cv-00192-JRG, Judge J. Rodney Gilstrap.

Decided: August 28, 2026

GREGG COSTA, Gibson, Dunn & Crutcher LLP, Houston, TX, argued for plaintiffs-appellants. Also represented by KOHL VINCENT ANDERSON, JACK DISORBO; NATHAN ROBERT CURTIS, Dallas, TX; KATHERINE QUINN DOMINGUEZ, JOSH KREVITT, New York, NY; ANDREW WILLIAM ROBB, Palo Alto, CA.

PHILIP J. WARRICK, Irell & Manella LLP, Washington, DC, argued for defendant-appellee. Also represented by GREGORY ALBANO, JASON SHEASBY, Los Angeles, CA; ANDREW CHOUNG, JENNIFER HAYES, Nixon Peabody LLP,

Los Angeles, CA; ANDREW TICE INGRAM, GRANT MARTINEZ, CONSTANCE PFEIFFER, Yetter Coleman, LLP, Houston, TX.

Before TARANTO, SCHALL, and CHEN, *Circuit Judges*.

CHEN, *Circuit Judge*.

T-Mobile US, Inc. and T-Mobile USA, Inc. (collectively, T-Mobile) and patent owner KAIFI LLC (KAIFI) settled a lawsuit in which KAIFI alleged that T-Mobile infringed several claims of U.S. Patent No. 6,922,728 ('728 patent). At the time of settlement, an *ex parte* reexamination (EPR) of the '728 patent, which T-Mobile had initiated, was pending at the United States Patent and Trademark Office (Patent Office). Under the settlement agreement, T-Mobile agreed to make an immediate payment to KAIFI for a certain amount, which it did. T-Mobile also agreed to make an additional payment to KAIFI at the conclusion of the reexamination "if any Asserted Claim survives the EPR." After the Patent Office confirmed the patentability of multiple claims, without amendment, that had been asserted in the lawsuit, T-Mobile sought a declaratory judgment that no asserted claims "survive[d]" the EPR and that therefore it had not breached the settlement agreement by refusing to make the additional payment. The district court granted summary judgment in KAIFI's favor on all claims, including its counterclaim for breach of contract, and ordered T-Mobile to make the additional payment to KAIFI.

Both parties contend that we have appellate jurisdiction over this case concerning the interpretation of the settlement agreement phrase "survives the EPR." We disagree. Because the dispute here is a matter of contract interpretation, which is a state law issue that does not necessarily depend on resolving a substantial patent law question, we lack subject-matter jurisdiction. We therefore *transfer* the case to the United States Court of Appeals for the Fifth Circuit, which has appellate jurisdiction over cases from the District Court for the Eastern District of Texas.

BACKGROUND

I

On August 28, 2020, KAIFI brought a patent infringement action against T-Mobile in the United States District Court for the Eastern District of Texas, alleging infringement of the ’728 patent, which is directed to a Wi-Fi calling technology. On July 13, 2021, T-Mobile, in turn, filed a request for an *ex parte* reexamination (EPR) of the ’728 patent, and the Patent Office ordered the EPR on August 19, 2021. Just days before the trial, and before the outcome of the EPR was available, the parties settled.

Under the “Settlement and Patent License Agreement” that the parties executed on January 12, 2022 (Settlement Agreement), T-Mobile was granted a license under the ’728 patent, agreed to make an initial upfront payment, and agreed to make an additional, contingent payment, referred to as the “EPR Payment,” “if any Asserted Claim survives the EPR.” J.A. 109, §§ 2.1, 2.3 (footnote omitted). The Settlement Agreement defines “Asserted Claims” as “claims 1, 2, 3, 5, 7, 10, 11 and 20 of the Patent-In-Suit [’728 patent],” which were the patent claims KAIFI alleged in the district court litigation that T-Mobile infringed. J.A. 108, § 1.23. The Settlement Agreement also provides that Licensee T-Mobile “covenants not to . . . challenge the validity or enforceability of the Licensed Patents” and that “Licensee’s prior filing of the request for EPR is not a breach of this covenant.” *Id.* at 109–10, § 4.1; *see also id.* at 208. The Settlement Agreement is governed by Texas law. *Id.* at 119, § 17.1.

After the parties executed the Settlement Agreement, the Patent Office concluded the reexamination and issued a Reexamination Certificate confirming multiple asserted claims—1, 2, 3, 5, 10, 11, and 20—patentable without amendment.[1] J.A. 6543.

II

T-Mobile did not make the EPR Payment. Instead, citing diversity of citizenship as a jurisdictional basis, T-Mobile sought a declaratory judgment that none of the asserted claims "survive[d]" the EPR. J.A. 52–104. T-Mobile asserted several causes of action[2] that relate to the interpretation of "survives the EPR." In its first two causes of action, T-Mobile contended that for a patent claim to "survive" the reexamination, it must retain a claim scope sufficient to support KAIFI's previously asserted infringement case against T-Mobile. In particular, T-Mobile alleged that (1) KAIFI impermissibly altered the claim scope from what it had staked out during the district court litigation by arguing for materially different claim construction positions before the Patent Office and (2) KAIFI's inequitable conduct during the EPR (by failing to disclose to the Patent Office its prior inconsistent claim-construction positions taken in district court) rendered the claims unenforceable. In its remaining causes of action, T-Mobile alleged frustration of purpose and lack of mutual assent. KAIFI counterclaimed for breach of contract and sought to recover the EPR payment. The parties then filed cross-motions for summary judgment.

The district court granted summary judgment on KAIFI's counterclaims after concluding that "the Settlement Agreement [is] clear and unambiguous that a claim 'survives the EPR' if it is confirmed as patentable in the

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[1] Claim 7 was determined to be patentable as amended. J.A. 6543.

[2] T-Mobile also asserted two fraud claims, and the district court dismissed both. T-Mobile does not rely on its dismissed fraud claims to establish jurisdiction.

Patent Office's Reexamination Certificate." J.A. 21, 24. In reaching its conclusion, the court agreed with KAIFI that "T-Mobile's causes of action rise and fall with [the] interpretation of the term 'survives,'" and determined that T-Mobile's inequitable conduct allegations have "no bearing on whether any of the claims 'survived the EPR.'" J.A. 12, 16. The court also noted that T-Mobile has repeatedly represented that it was not seeking a declaration of unenforceability, in light of its obligation under § 4.1 of the Settlement Agreement to not challenge the patent's enforceability. *Id.* at 12. The court ordered T-Mobile to pay KAIFI the EPR Payment. J.A. 25.

T-Mobile timely appealed.[3]

DISCUSSION

"We review issues of jurisdiction de novo." *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1335 (Fed. Cir. 2008).

Our court has exclusive jurisdiction to decide "an appeal from a final decision of a district court . . . in any civil action *arising under* . . . any Act of Congress relating to patents." 28 U.S.C. § 1295(a)(1) (emphasis added). The Supreme Court interpreted this language[4] to mean that our

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[3] Due to a ministerial error, the appeal was initially docketed in the Fifth Circuit. J.A. 5723. The Fifth Circuit granted T-Mobile's unopposed motion to transfer without reaching the merits of appellate jurisdiction. J.A. 5728.

[4] In 2011, § 1295(a)(1) was amended to parallel 28 U.S.C. § 1338(a) (stating that "[t]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents"). Leahy-Smith America Invents Act (AIA) sec. 19(b), Pub. L. No. 112-29, 125 Stat. 284, 332 (2011). While the amended § 1295(a)(1) no longer explicitly references § 1338(a), the relevant language of §§ 1295 and 1338 remains essentially identical.

jurisdiction extends "only to those cases in which a well-pleaded complaint establishes either [1] that federal patent law creates the cause of action or [2] that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims." *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 808–09 (1988); *see also Gunn v. Minton*, 568 U.S. 251, 257–58 (2013). To assess whether a case falls within that latter "special and small category" of cases, where "a claim finds its origins in state rather than federal law" but nevertheless arises under federal law, *Gunn*, 568 U.S. at 258, we apply the four-part *Gunn* test. *See, e.g., Inspired Dev. Grp., LLC v. Inspired Prods. Grp., LLC*, 938 F.3d 1355, 1361 (Fed. Cir. 2019).

Under *Gunn*, a state law claim can be said to arise under federal law when a federal issue is "(1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress." 568 U.S. at 258 (citation omitted). In determining whether we have appellate jurisdiction over the appeal of a district court judgment in a diversity case, we "look to whether the four-part *Gunn* test is met on the basis of the cause of action pled and the facts as they existed at the time the complaint or any compulsory counterclaim is filed." *Jang v. Bos. Sci. Corp.*, 767 F.3d 1334, 1338 (Fed. Cir. 2014).

For a declaratory judgment action like this one, we look to "the character of the threatened action, and not of the defense" and "examine[] the declaratory *defendant's*

See Chandler v. Phoenix Servs. LLC, 1 F.4th 1013, 1017 (Fed. Cir. 2021). Accordingly, the Supreme Court's interpretation of § 1338, in the context of the pre-amended § 1295(a)(1), applies with equal force to the amended § 1295(a)(1). *Id.*

hypothetical well-pleaded complaint to determine if subject matter jurisdiction exists." *ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1349 (Fed. Cir. 2011) (first quoting *Pub. Serv. Comm'n of Utah v. Wycoff Co.,* 344 U.S. 237, 248 (1952); and then citing *Franchise Tax Bd. of State of Cal. v. Constr. Laborers Vacation Tr. for S. Cal.*, 463 U.S. 1, 16, 19 (1983)). Here, the hypothetical complaint is the same as KAIFI's counterclaim: breach of contract.

The parties focus on the first and third *Gunn* requirements, contending that the state law breach of contract claim necessarily raises a substantial patent law issue. T-Mobile argues that determining whether any asserted patent claim "survives the EPR" requires addressing two "imbedded" patent law issues, namely (1) whether KAIFI's conduct before the Patent Office materially altered the claim scope and (2) whether KAIFI engaged in inequitable conduct during the EPR. Appellant Br. 27; *see also* Appellant Reply Br. 3–9. T-Mobile also contends that setting standards and regulating conduct before the Patent Office present substantial questions of patent law. Appellant Reply Br. 8.

Although KAIFI previously moved to transfer for lack of jurisdiction, ECF No. 15, it now argues that we have jurisdiction because the term "survives" has a particular meaning in patent law and because the effect of reexamination proceedings presents a substantial question of patent law. Appellee Br. 29–31. "We must independently assure ourselves of our jurisdiction over an appeal 'even though the parties are prepared to concede it.'" *Wawrzynski v. H.J. Heinz Co.*, 728 F.3d 1374, 1378 (Fed. Cir. 2013) (citation omitted). We conclude that we lack appellate jurisdiction.

I

We begin with *Gunn*'s first requirement, which asks whether a federal issue is "necessarily raised." *Gunn*, 568 U.S. at 258. "That is, if there is a theory of liability for each of the asserted claims for which it is not necessary to resolve an issue of federal patent law, the district court lacked jurisdiction under section 1338, and we correspondingly lack jurisdiction under section 1295." *ClearPlay, Inc. v. Abecassis*, 602 F.3d 1364, 1367 (Fed. Cir. 2010).

Focusing on KAIFI's breach of contract counterclaim, we do not see how determining whether any of the asserted patent claims "survive[d] the EPR" necessarily raises a patent law issue. That is because "there is at least one theory of relief that would not require the resolution of a patent law issue." *ClearPlay*, 602 F.3d at 1368. For example, one way to resolve the relevant contract interpretive question would be the way the district court here approached it—by simply looking at the Reexamination Certificate and observing that the Patent Office confirmed the patentability of many of the asserted claims without amendment. J.A. 7.

Reexamination is an administrative proceeding "to provide an important 'quality check' on patents that would allow the government to remove defective and erroneously granted patents." *In re Swanson*, 540 F.3d 1368, 1375 (Fed. Cir. 2008) (citations omitted); *see* 35 U.S.C. § 304 ("If . . . the Director finds that a substantial new question of patentability affecting any claim of a patent is raised, the determination will include an order for reexamination of the patent for resolution of the question."). At bottom, a reexamination of patent claims by the Patent Office puts the validity of those claims to the test in light of a new question of patentability. At the conclusion of an *ex parte* reexamination, the Patent Office issues a Reexamination Certificate, "*canceling* any claim of the patent finally determined to be unpatentable, *confirming* any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable." 35 U.S.C. § 307(a) (emphases added). In other words, it could be said that a confirmed claim survives a reexamination unscathed whereas a canceled claim does not. That straightforward, ordinary understanding of "survives" applied by the district court does not implicate a patent law question.

T-Mobile's alternate reading of "survives" would require an investigation into whether KAIFI's arguments made during the EPR materially changed *the scope* of the claims such that the original claim scope did not "survive" even if the claim language remained unaltered. T-Mobile additionally argues that the term "survives" must take into account KAIFI's alleged inequitable conduct during the EPR in failing to submit relevant documents from the district court litigation to the Patent Office. According to T-Mobile, if that allegation is proven, the patent would be unenforceable, and none of the claims could be said to "survive."

Even assuming, for jurisdictional purposes, that we look to T-Mobile's theories of the meaning of "survives," which would require a court to address patent-law issues like prosecution disclaimer and inequitable conduct, it is less than clear to us that the contractual term "survives" demands such in-depth patent-law inquiries. The text of the Settlement Agreement wholly lacks any hint to that effect. Demonstrating altered claim scope or inequitable conduct instead appears to be part of T-Mobile's "defense" to KAIFI's breach of contract action and "is not the only way" of resolving it. *Inspired Dev. Grp.*, 938 F.3d at 1363 (finding that on an unjust enrichment claim, a patent infringement question is not necessarily raised because "[d]emonstrating infringement . . . is not the only way that [plaintiff] could succeed on its claim"); *see also Acorda Therapeutics, Inc. v. Alkermes PLC*, 145 F.4th 1299, 1307 (Fed. Cir. 2025) (finding that a patent law issue is not necessarily raised where alternative ground for relief is presented). As we explained above, mere review of a Reexamination Certificate, as the district court did, is one possible resolution to KAIFI's breach of contract claim.

Nonetheless, T-Mobile argues that the patent law issues it raises are "logically antecedent" to the contract claim. Appellant Br. 33. First, T-Mobile cites our decision in *Jang v. Boston Scientific Corp.*, where we held that we had jurisdiction over a state law contract dispute regarding royalties under a patent license because we had to address a question of infringement. Appellant Reply Br. 7–8; *see Jang*, 767 F.3d at 1336–38. T-Mobile analogizes this case to *Jang*, arguing that to determine whether a claim "survives," we must determine whether KAIFI obtained confirmation of the claims through inequitable conduct. Appellant Reply Br. 8. Second, T-Mobile analogizes its inequitable conduct allegations to fraud in a fraudulent-inducement contract case to argue that we must first resolve underlying issues of prosecution disclaimer and inequitable conduct before interpreting the term "survives." Appellant Br. 33 (citing *Italian Cowboy Partners, Ltd. v. Prudential Ins. Co. of Am.*, 341 S.W.3d 323, 334–35 (Tex. 2011)); *see also* Appellant Reply Br. 15 n.2.

We are not persuaded by T-Mobile's analogies. First, T-Mobile's reliance on *Jang* is misplaced because *Jang* presented a necessary patent law question—infringement—in deciding whether Jang could seek royalty payments for the period during which the defendant allegedly practiced the patented technology before the claims were invalidated. *See Jang*, 767 F.3d at 1336–38 (explaining that "resolution of the contract claim itself requires resolution of underlying issues of infringement"). Here, unlike *Jang*, interpreting "survives" does not *necessarily require* resolving underlying issues of prosecution disclaimer and inequitable conduct. Moreover, T-Mobile's argument that none of the asserted patent claims survived the EPR because KAIFI engaged in inequitable conduct, if accepted, would appear to clash with its obligation under the Settlement Agreement "not to . . . challenge the validity or enforceability of the Licensed Patents." J.A. 109–110, § 4.1; J.A. 12 (the district court noting the same). But the theory underlying its declaratory judgment action is, in effect, making an enforceability challenge. Second, T-Mobile has not adequately made the case for why prosecution disclaimer of claim scope or alleged inequitable conduct are required threshold issues for resolving the breach of contract claim, akin to the fraud issue in *Italian Cowboy Partners*, where fraud was a threshold issue in the fraudulent inducement claim. *See* 341 S.W.3d at 327–28.

Next, T-Mobile stresses the "commercial realities" surrounding the Settlement Agreement to contend that the parties understood the term "survives" as referring to whether KAIFI's patent-infringement theory, which was based on a particular understanding of the patent claims, survived the EPR. Appellant Br. 42–46. In doing so, T-Mobile does not point to the text of the Settlement Agreement but rather relies on extrinsic evidence, e.g., drafting history and testimony of the attorney who negotiated the Settlement Agreement. *See* J.A. 1948–2002 (drafting history), 2004–10 (attorney testimony).

Looking at the text of the Settlement Agreement, we do not see support for T-Mobile's particularized understanding of "survives." The Settlement Agreement, in the language at issue, requires the additional payment if "any Asserted Claim survives the EPR" and defines Asserted Claims as "claims 1, 2, 3, 5, 7, 10, 11 and 20 of the Patent-In-Suit ['728 patent]." J.A. 108–09, §§ 1.23, 2.3. T-Mobile's reading would effectively rewrite the Settlement Agreement to refer to "litigated infringement claims" instead of the "asserted claims." Nor does the extrinsic evidence cited by T-Mobile support its position. Instead, it reflects a different point, namely the parties' disagreement during the negotiation whether "an Asserted Claim *that is amended* during the EPR 'survives the EPR,'" which is memorialized as a footnote in the Settlement Agreement. J.A. 109 n.1 (emphasis added). But here the Patent Office confirmed the patentability of many of the Asserted Claims without amendment. J.A. 7. Whatever disagreement the parties may have had regarding *amended* claims is therefore not relevant. In sum, we cannot say that T-Mobile's theory of the meaning of "survives" is necessarily the only way to read that term.

For KAIFI's part, it now argues that we have jurisdiction because the term "survives" has a special patent law meaning.[5] Appellee Br. 29–31. In so arguing, however, KAIFI does not identify any use of the term in the patent statute or patent regulations, and we are aware of none. Rather, KAIFI points simply to the fact that we have used the word in our decisions. KAIFI points to *Spectrum International, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1374 (Fed. Cir. 1998), where we used the term "survived" in the reexamination context. *See id.* ("[C]laims 2, 11, and 14–16 survived reexamination."). KAIFI also points to other decisions, where we used the term "survived" in the *inter partes* review context. *See, e.g.*, *Pavo Sols. LLC v. Kingston Tech. Co.*, 35 F.4th 1367, 1372 (Fed. Cir. 2022) ("A subset of the '544 patent's claims survived IPR").

But in none of these cases did we ever suggest we were assigning a particularized patent-law meaning to "survives." Our occasional use of that term, as in the cases on which KAIFI relies, is merely an employment of this ordinary word in the ordinary sense, i.e., "to continue to live or to exist, esp. after a dangerous event," CAMBRIDGE DICTIONARY, https://dictionary.cambridge.org/dictionary/english/survive. *See Spectrum Int'l*, 164 F.3d at 1374 (using the term "claims . . . survived reexamination" to mean that claims continue to live, i.e., were not determined to be unpatentable); *see also Pavo Sols.*, 35 F.4th at 1372 (using the term "claims survived IPR" to mean that a claim

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[5] T-Mobile disagrees that "survives" is a patent law term. *See* Oral Arg. at 03:31–03:45 (available at https://www.cafc.uscourts.gov/oral-arguments/25-1006_05052026.mp3).

is not held unpatentable, and hence slated for cancellation, through the IPR process). We thus find KAIFI's argument unpersuasive. A patent law question is not a "necessary element" of the breach of contract claim, which might well succeed on the theory that the term is being used in this contract in its ordinary-language sense as applied to the plain formal results of the EPR process.

II

Although our inquiry could end here, this court additionally lacks jurisdiction because the third *Gunn* requirement is not satisfied. That is, "the federal issue in this case is not substantial in the relevant sense." *Gunn*, 568 U.S. at 260. "The substantiality inquiry" looks to "the importance of the issue to the federal system as a whole." *Id.* "[I]t is not enough [for] the federal issue [to] be significant to the particular parties in the immediate suit." *Id.* Following the Supreme Court's guidance in *Gunn*, we look to "three nonexclusive factors that may help to inform the substantiality inquiry." *NeuroRepair, Inc. v. Nath L. Grp.*, 781 F.3d 1340, 1345 (Fed. Cir. 2015) (citations omitted). A "substantial" federal issue is more likely to be present if (1) "a pure issue of federal law is dispositive of the case," (2) "the court's resolution of the issue will control numerous other cases," and (3) "if the Government has a direct interest in the availability of a federal forum to vindicate its own administrative action." *Id.* (cleaned up) (citations omitted). None of the three factors indicates substantiality here.

First, there is no dispositive federal law issue. The underlying patent infringement action was settled, and this case presents a breach of contract claim. As explained above, there is an independent basis for resolving the breach of contract claim without reaching any question of patent law, and therefore this appeal presents "no pure issue of federal law [that] is dispositive." *NeuroRepair*, 781 F.3d at 1345–46; *see Inspired Dev. Grp.*, 938 F.3d at 1364. For the same reason, we are not persuaded by T-Mobile's generic argument that "setting standards and regulating conduct before the Patent Office" is a substantial patent law issue. *See* Appellant Reply Br. 8–9.

Second, resolution of the issue will not control numerous other cases. We reiterate that as pled, T-Mobile's claims do not formally challenge validity or enforceability of the '728 patent. Rather, the dispute is over the interpretation of the contractual term "survives," which we find to be "backward-looking" and "fact-bound and situation-specific," characteristics the Supreme Court explained are "not sufficient to establish federal arising under jurisdiction." *Gunn*, 568 U.S. at 261–63 (citations omitted); *see also Inspired Dev. Grp.*, 938 F.3d at 1368 ("[Defendant] ignores the limited nature of the claim. As pled, this claim is about a particular relationship.").

Nor will the resolution of this case undermine the uniformity of patent law. *See Inspired Dev. Grp.*, 938 F.3d at 1364 ("[T]he touchstone for 'substantiality' is whether allowing state courts to resolve the case would undermine 'the development of a uniform body of patent law.'" (quoting *Gunn*, 568 U.S. at 261)). Neither party provided any evidence that the contractual term "survives" is used in other settlement agreements or patent licensing contracts. And whatever meaning is assigned to "survives" in the context of the Settlement Agreement, future parties can contract around that meaning, if they wish, by using a different term. For example, if "survives" requires an inquiry into the patent owner's inequitable conduct during the EPR and parties wish to avoid such a requirement, they can choose to draft a settlement agreement referring, for example, to "any asserted claim that is confirmed to be patentable in the reexamination proceeding."

We also note that the '728 patent has been expired since January 2024, further weakening any case for substantiality. In *Xitronix*, we transferred an appeal, involving a *Walker Process* monopolization claim based on alleged fraud on the Patent Office, to the Fifth Circuit, on the ground that the case did not present a substantial issue of patent law. *Xitronix Corp. v. KLA-Tencor Corp.*, 882 F.3d 1075, 1077–80 (Fed. Cir. 2018) (*Xitronix I*). The Fifth Circuit, however, disagreed with our conclusion. *Xitronix Corp. v. KLA-Tencor Corp.*, 916 F.3d 429, 441 (5th Cir. 2019) (*Xitronix II*). In its view, the case "concerns a patent that is currently valid and enforceable" and a substantial patent law issue was present because the case "has the potential to render that patent effectively unenforceable." *Id.*; *see also Jang*, 767 F.3d at 1338 ("Permitting regional circuits to adjudicate questions of patent validity, for example, could result in inconsistent judgments between a regional circuit and the Federal Circuit."). Here, those concerns about the case's effect on future cases involving the patent have much less force, given that the '728 patent has expired and there is no other pending litigation involving it. Thus, regardless of our disagreement with the Fifth Circuit's *Xitronix II* opinion, *see*, *e.g.*,. *Chandler v. Phoenix Servs. LLC*, 1 F.4th 1013, 1016–19 (Fed. Cir. 2021) (noting disagreements with *Xitronix II*), the facts and circumstances of this case are materially different from *Xitronix I* and *II*.

Third, "the government has no direct interest in this contract dispute between private parties." *See Inspired Dev. Grp.*, 938 F.3d at 1368. This stands in contrast to *Grable & Sons Metal Products, Inc. v. Darue Engineering & Manufacturing*, 545 U.S. 308 (2005), where the Supreme Court noted the government's "strong interest in the 'prompt and certain collection of delinquent taxes.'" *Grable*, 545 U.S. at 315 (citation omitted). Here, considering the fact-bound nature of the dispute over the contractual term, we do not find a comparable governmental interest like the one recognized in *Grable*.

All three *NeuroRepair* factors, although not exhaustive, confirm that this case does not present a "substantial" issue of federal law. And T-Mobile and KAIFI do not argue that any other factors are relevant to our substantiality inquiry. Nor do they explain how this case presents a patent law issue more than a "case within a case."[6] Having concluded that this case does not necessarily raise a substantial patent law issue, we need not reach whether the second and fourth requirements of *Gunn* are satisfied. Accordingly, we see no basis to conclude that the state law claim here raises an important issue "to the federal system as a whole." *Gunn*, 568 U.S. at 260.

CONCLUSION

We have considered the parties' remaining arguments and find them unpersuasive. We lack appellate jurisdiction over this case. Because the Eastern District of Texas had diversity jurisdiction and at the time this appeal was filed, the Fifth Circuit would have had jurisdiction over this case, we transfer it to the Fifth Circuit.

TRANSFERRED

COSTS

The parties shall bear their own costs.

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[6] T-Mobile agrees that "it is a case within a case." Oral Arg. at 06:59–07:30. It then argues that this case "has a stronger connection" to patent law issues than the antitrust claim in *Xitronix I*. *Id.* We disagree for reasons already explained.