

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

ALEXSAM, INC.,
Plaintiff-Appellee

v.

SIMON PROPERTY GROUP, L.P.,
Defendant-Appellant

BLACKHAWK NETWORK, INC.,
Defendant-Appellee

US BANK NA,
Defendant

2025-1138

Appeal from the United States District Court for the
Eastern District of Texas in No. 2:19-cv-00331-RWS-RSP,
Judge Robert Schroeder, III.

Decided: October 5, 2026

CHRIS HOOD, Heninger Garrison Davis, LLC, Birmingham, AL, argued for plaintiff-appellee. Also represented by TIMOTHY C. DAVIS, W. LEE GRESHAM, III; JACQUELINE KNAPP BURT, Atlanta, GA; STEVEN RITCHESON, Insight,

PLC, Marina del Rey, CA.

TODD E. LUNDELL, Sheppard Mullin Richter & Hampton LLP, Costa Mesa, CA, argued for third-party defendant-appellee. Also represented by MARTIN BADER, San Diego, CA; ROBERT E. HOUGH, II, Dallas, TX.

MATTHEW ERIC FISCHER, Potter Anderson & Corroon, LLP, Wilmington, DE, argued for defendant-appellant. Also represented by JAMES MATTHEW BELGER, TYLER E. CRAGG; TIMOTHY J. CARROLL, Orrick, Herrington & Sutcliffe LLP, Chicago, IL; LAURA A. WYTSMA, Los Angeles, CA.

Before DYK, PROST, and CUNNINGHAM, *Circuit Judges*.

DYK, *Circuit Judge*.

AlexSam, Inc. (“AlexSam”) owns U.S. Patent No. 6,000,608 (“608 patent”) covering systems facilitating use of multifunction cards, including prepaid gift cards. AlexSam sued Simon Property Group, L.P. (“Simon”) for infringement in the Eastern District of Texas. Simon filed a third-party indemnification complaint including a claim for attorneys’ fees against Blackhawk Network, Inc. (“Blackhawk”), which Simon alleged had supplied it with the allegedly infringing gift cards. The district court entered summary judgment of noninfringement, and the court later amended the judgment to dismiss all “counterclaims or other claims” as moot. Simon filed a motion styled in part as one under Rule 60(a) urging that its third-party claim was not moot. The district court denied the motion, and Simon appealed.

We conclude that Simon’s motion should be construed as a Rule 60(b) motion; that relief was available to Simon under Rule 60(b)(1); and that the district court erred in dis-

missing the third-party claim as moot. We vacate the district court's order and remand with instructions that the district court enter a new order dismissing Simon's indemnification claim without prejudice pursuant to 28 U.S.C. § 1367(c).

BACKGROUND

The '608 patent owned by AlexSam covers systems facilitating the use of multifunction cards, including prepaid gift cards. See *AlexSam, Inc. v. Simon Prop. Grp., L.P.* (*AlexSam I*), 2024 WL 1364345, at *1 (Fed. Cir. Apr. 1, 2024). AlexSam brought suit against Simon, a seller of gift cards, for infringement of the '608 patent in 2019.

Simon then filed a third-party contractual complaint arising under state law against Blackhawk in June of 2020 based on a 2014 agreement under which Blackhawk would provide the allegedly infringing gift cards to Simon. That agreement allegedly contained an indemnification provision "which obligated Blackhawk to indemnify and defend Simon for alleged infringement," including attorneys' fees. Appellant's Br. 8.

In May 2021, AlexSam amended its complaint to assert infringement against Blackhawk, and Simon filed a counterclaim seeking a declaration that AlexSam's '608 patent was invalid. In September 2021, Simon and Blackhawk each filed motions for summary judgment of invalidity and noninfringement.

On March 16, 2022, the district court granted summary judgment of noninfringement and two days later entered a final judgment dismissing the "cause" with prejudice and stating that "[a]ll motions by either party not

previously ruled on are hereby DENIED-AS-MOOT.” J.A. 1514.¹ AlexSam appealed on March 31, 2022.

On April 4, 2022, Simon and Blackhawk moved for expenses and attorneys’ fees under 35 U.S.C. § 285 and 28 U.S.C. § 1927 as well as sanctions under Rule 11 and the court’s inherent powers (collectively, “fees motions”). On April 15, 2022, Simon and Blackhawk filed a joint motion with the district court, styled as one under Rule 59(e) of the Federal Rules of Civil Procedure. In that motion, Simon and Blackhawk asserted that AlexSam’s appeal was premature because Simon’s invalidity counterclaim had not yet been adjudicated; in a footnote, the motion added that the “appeal [wa]s also premature because Simon[’s] third-party claim[] against . . . Blackhawk . . . ha[d] not been adjudicated.” J.A. 1952. We deactivated the appeal to allow the district court to resolve the April 15 motion. The magistrate judge held a hearing and issued a report and recommendation in July 2022 which discussed only the invalidity counterclaim. The magistrate judge recommended that the judgment be amended to state that “[a]ll counterclaims or other claims and motions by any party not previously ruled on are hereby DENIED AS MOOT.” J.A. 1969. The district court adopted the magistrate’s report on August 22, 2022; the court issued its amended final judgment the same day, which said that “[a]ll counterclaims or other claims and motions by any party not previously ruled on are hereby DENIED-AS-MOOT.” J.A. 2.

On September 13, 2022, Simon and Blackhawk filed a joint motion styled as one under Rule 60(a) (“September 13 motion”). This motion sought to clarify that the amended final judgment did not moot the fees motions, which were made after the March 2022 final judgment but before the August 2022 amended final judgment. On September 19,

¹ Citations to “J.A.” refer to the corrected joint appendix filed by the parties. Dkt. No. 50.

2022, Simon also filed a motion styled as one under Rules 54(b) and 60(a) seeking a declaration that its third-party indemnification claim had not been mooted by the entry of the amended final judgment or to amend the final judgment to reflect the same (“September 19 motion”) The parties informed our court of the September 13 motion but did not inform us of the September 19 motion.

Following entry of the amended final judgment, on October 27, 2022, we reactivated the appeal and concluded that the pendency of the September 13 Rule 60(a) motion did not affect the finality of the judgment. We then affirmed the district court’s summary judgment of noninfringement. *AlexSam I*, 2024 WL 1364345, at *4. Our mandate issued on June 13, 2024.

On August 28, 2024, the magistrate judge addressed the September 2022 motions. The magistrate judge recommended (1) that the September 13 motion be granted to clarify that the fees motions were not dismissed by the amended final judgment, and (2) that the September 19 motion be denied because “there was no intent to exclude the third party claim for defense and indemnity from the broad language denying as moot ‘all . . . other claims and motions by any party.’” J.A. 2067 (omission in original) (quoting J.A. 2). Simon objected. Ultimately, the court issued an order in September 2024 (“September 2024 order”) which overruled Simon’s objections to the extent that Simon argued that the indemnification claim was not moot but sustained Simon’s objections in part by clarifying that the indemnification claim had been dismissed without prejudice. The court also noted that the Fifth Circuit’s “normal practice of dismissing collateral state law claims [wa]s not inequitable to Simon” when the “primary federal claim has

been settled or dismissed before trial.”² J.A. 7 (quoting *Joiner v. Diamond M Drilling Co.*, 677 F.2d 1035, 1041 (5th Cir. 1982)). Simon appealed the order. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

DISCUSSION

Blackhawk argues that Simon’s only remedy for the dismissal of the indemnification claim would have been to appeal from the August 2022 amended final judgment, and that any such appeal would be untimely. This is incorrect.

I

We review post-judgment motions under the law of the regional circuit, here the Fifth Circuit. *See Flexuspine, Inc. v. Globus Med., Inc.*, 879 F.3d 1369, 1373 (Fed. Cir. 2018) (Rule 59); *Amstar Corp. v. Envirotech Corp.*, 823 F.2d 1538, 1550 (Fed. Cir. 1987) (Rule 60). The Fifth Circuit construes post-judgment motions by their substance, not by the labels attached to them. *See Moody Nat’l Bank of Galveston v. GE Life & Annuity Assurance Co.*, 383 F.3d 249, 251 (5th Cir. 2004) (“[A] motion’s substance, and not its form, controls.”). Simon’s September 19 motion, though styled as a Rule 60(a) motion, was in substance a Rule 60(b) motion.

Rule 60(b)(1) permits relief for “mistake, inadvertence, surprise, or excusable neglect.” Fed. R. Civ. P. 60(b)(1). In *Kemp v. United States*, the Supreme Court held “that a

² The order also overruled AlexSam’s objections that the fees motions had been dismissed by the amended final judgment. AlexSam appealed the September 2024 order; we dismissed that appeal for lack of a final judgment. *AlexSam, Inc. v. Simon Prop. Grp., L.P. (AlexSam II)*, 2025 WL 670191, at *1–2 (Fed. Cir. Mar. 3, 2025). That matter is not part of the present appeal.

‘mistake’ under Rule 60(b)(1) includes a judge’s errors of law.” 142 S. Ct. 1856, 1861–62 (2022). *Kemp* further explained that Rule 60(b)(1) “covers *all* mistakes of law made by a judge,” not just “‘obvious’ legal mistakes.” *Id.* at 1862 (emphasis added).

While a 60(b)(1) motion cannot be used as a substitute for appeal as to issues that could be raised by appeal, the motion is generally permissible if made within the time for taking an appeal. *Compare Silas v. Sears, Roebuck & Co.*, 586 F.2d 382, 386 (5th Cir. 1978) (motion filed within time for taking appeal), and *FDIC v. Castle*, 781 F.2d 1101, 1105 (5th Cir. 1986) (same), with *Dunn v. Cockrel*, 302 F.3d 491, 492–93 (5th Cir. 2002) (motion filed months after time to appeal expired), and *Choo v. Exxon Corp.*, 699 F.2d 693, 694–96 (5th Cir. 1983) (same). Here, Simon’s September 19 motion was made well within the time for appeal.

The “main application” of Rule 60(b) “is to those cases in which the true merits of a case might never be considered because of technical error.” *Fackelman v. Bell*, 564 F.2d 734, 735 (5th Cir. 1977). For circumstances like this, the Fifth Circuit has held that Rule 60(b) relief is available. In *Silas*, the Fifth Circuit reversed the trial court’s denial of a Rule 60(b)(1) motion challenging the dismissal of the plaintiff’s complaint with prejudice for failure to prosecute. 586 F.2d at 384–87. Similarly, *Ruiz v. Quarterman* reversed the denial of a 60(b)(1) motion challenging a non-merits dismissal for procedural default. 504 F.3d 523, 526, 531–32 (5th Cir. 2007).

For these reasons, we conclude that the September 19 motion is properly construed as one under Rule 60(b)(1), and that the motion was available to challenge dismissal of the third-party claim as moot.

II

Orders denying Rule 60(b) motions are final and appealable; the Fifth Circuit reviews such orders for abuse of

discretion. *Osborne v. Belton*, 131 F.4th 262, 269 (5th Cir. 2025) (per curiam). “A district court abuses its discretion ‘if it . . . relies on erroneous conclusions of law’” *Id.* (quoting *In re Chamber of Com. of the U.S.*, 105 F.4th 297, 311 (5th Cir. 2024)).

Here, we have no doubt that dismissal on grounds of mootness was improper. The parties had—and still have—a continuing controversy concerning the right to indemnification. The district court’s conclusion that the claim was moot is judicial error cognizable under 60(b)(1). *See Kemp*, 142 S. Ct. at 1861–62. The district court therefore abused its discretion by denying the September 19 motion, and we must reverse the district court’s denial of the September 19 motion.

However, in its September 2024 order, the district court suggested that the dismissal could be based on its discretionary decision to decline to exercise supplemental jurisdiction under 28 U.S.C. §1367(c). At oral argument, Simon stated it would not object to such a dismissal without prejudice given the availability of tolling pursuant to 28 U.S.C. § 1367(d), and Blackhawk urges that a dismissal for lack of supplemental jurisdiction is appropriate. Blackhawk’s Br. 51–58. An analysis of the statutory and common-law factors regarding supplemental jurisdiction is unnecessary given the parties’ agreement that dismissal pursuant to 28 U.S.C. § 1367(c) is appropriate. Therefore, without deciding whether the Fifth Circuit’s test for discretionary dismissal of pendent state-law claims under 28 U.S.C. § 1367(c) was satisfied in this case, we vacate the district court’s denial of the September 19 motion and direct the district court to enter a new order dismissing the indemnification claim without prejudice pursuant to 28 U.S.C. § 1367(c), in accordance with the parties’ representations.

We have considered Blackhawk’s remaining arguments and find them to be without merit.

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VACATED & REMANDED

COSTS

No costs.