

Interesting Delay: Prejudgment Interest Accrues Despite Unreasonable Delay

Article By:

Taylor MacDonald

The US Court of Appeals for the Federal Circuit upheld a decision on enhanced damages and prejudgment interest, concluding that the district court correctly applied the appropriate standard for enhanced damages in accordance with established precedent. *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, Case Nos. 23-1772; -1966 (Fed. Cir. Feb. 28, 2025) (Prost, **Bryson**, Reyna, JJ.) (nonprecedential).

In 2013, following a jury verdict in favor of Halo, the district court entered a \$1.5 million verdict against Pulse for willful infringement but denied Halo enhanced damages. Halo appealed and, [in 2016](#), engendered a new enhanced damages standard from the Supreme Court. In 2015, while the case was pending before the Supreme Court, Halo filed for an award of supplemental damages for direct infringement between 2012 and 2013, and prejudgment and post-judgment interest on the initial \$1.5 million judgment and on the supplemental damages. The district court awarded supplemental damages and prejudgment and post-judgment interest.

In 2017, the district court determined that Halo was not entitled to enhanced damages or attorneys' fees under the Supreme Court's new standard. Although the parties still disagreed on which method to use for prejudgment interest calculation – and briefed their positions accordingly – the district court mistakenly ordered the clerk to enter a final judgment and close the case. After the Supreme Court decided [WesternGeco v. ION Geophysical](#) in 2018, Halo (in 2020) filed a motion seeking prejudgment interest and a new damages trial, arguing that the district court had not made a final ruling on the issue of prejudgment interest and that *WesternGeco* was intervening case law that permitted it to seek additional damages for Pulse's activities outside the United States.

Halo argued that because the final order closing the case ignored an outstanding issue (prejudgment interest), the case was merely administratively closed. Although Pulse argued that the resurrected case should remain closed under Federal Rule of Civil Procedure 41(b), the district court awarded limited prejudgment interest in March 2023. The district court rejected Halo's request for a new trial regarding additional foreign damages under *WesternGeco*.

Halo appealed, and Pulse counter appealed. Halo raised two main arguments:

- Enhanced damages were appropriate because of the jury's finding of willfulness.

- The district court should have allowed a limited trial on the issue of foreign infringement.

Pulse argued that FRCP 41(b) should have barred any prejudgment interest because Halo did not address the court's oversight until 2020.

The Federal Circuit rejected both of Halo's arguments. It explained that a jury's finding of willfulness is "but one factor" in an enhanced damages determination under the Supreme Court's highly discretionary *Halo* test. Willful infringement does not require the more egregious intent that gives rise to enhanced damages, nor does it merge with enhanced damages analyses procedurally – willfulness is a jury issue, while enhanced damages is an issue for the court.

Addressing Pulse's argument, the Federal Circuit found no abuse of discretion in either the district court's refusal of a new trial or its decision to allow prejudgment interest. It was unreasonable for Halo to bring forward an argument under *WesternGeco* for a new trial two years after *WesternGeco* was decided. Waiting three years between the case's 2017 closing and renewing its arguments about prejudgment interest also constituted unreasonable delay, but other equitable factors nevertheless permitted the award of prejudgment interest.

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