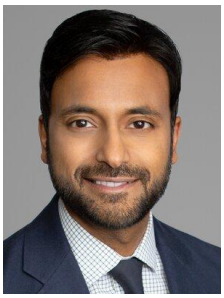
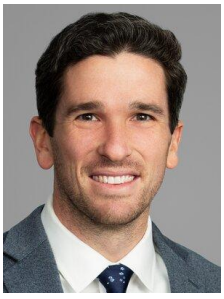
Patent Suits Highlight Risks Across Data Center Supply Chain

By **Deepro Mukerjee, Lance Soderstrom and Brian Sodikoff** (November 3, 2026)



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On Sept. 29, PulseLink Systems LLC filed a patent infringement lawsuit against Nvidia Corp. in the U.S. District Court for the Eastern District of Texas, alleging that Nvidia's data center networking products, including data processing units, Ethernet switching platforms and related software, infringe five patents relating to networking and communications technology.[1]

The lawsuit is one of several recent patent disputes involving the technologies supporting artificial intelligence data centers, including specialized processors, networking infrastructure and cooling systems. While the PulseLink suit targets a manufacturer directly, many of the plaintiffs alleging infringement involving data center technologies are nonpracticing entities, and some have pursued the companies that operate those facilities.[2]

AI data centers rely on graphics processing units, high-speed networking equipment, cooling systems and power management technologies to support demanding computational workloads. These technologies are often supplied by various manufacturers and incorporated into facilities operated by distinct companies.

Patent disputes over these technologies may therefore draw both equipment manufacturers and data center operators into litigation, as illustrated by Vertiv Corp. v. Valtrus Innovations Ltd., filed in the U.S. District Court for the Eastern District of Texas on Feb. 2, and consolidated into a multidistrict litigation on Aug. 7.[3] These disputes raise questions about how infringement claims arising from third-party equipment are defended and how litigation responsibilities are allocated between operators and suppliers.

The Valtrus-Vertiv Litigation

Valtrus, a nonpracticing entity that owns and licenses patents acquired from Hewlett Packard Enterprise, has pursued infringement claims involving cooling technologies against numerous data center operators since early 2024.[4]

Its lawsuits have included actions against Equinix Inc., NTT Data Inc., CoreSite Realty Corp., Netrality Properties and Lumen Technologies Inc., among others, alleging infringement involving cooling equipment supplied by Vertiv and other manufacturers.[5] According to Vertiv, Valtrus has settled many of these cases before any ruling on the merits.[6]

In its April complaint against Lumen, Valtrus asserted U.S. Patent Nos. 6,854,287, 6,868,682 and 6,718,277, directed to cooling and environmental control technologies. The patents had expired, and Valtrus sought damages for alleged infringement occurring before their expiration. Valtrus alleged that Lumen performed patented cooling methods using equipment supplied by Vertiv, Schneider Electric and other manufacturers.[7] Valtrus has pursued operators using the accused equipment, rather than only the manufacturers supplying it.

Vertiv, meanwhile, initiated declaratory judgment proceedings concerning noninfringement and invalidity of certain asserted patents.[8] In its February declaratory judgment complaint, Vertiv asserted that Valtrus' serial suits against its customers increase defense costs, strain its customer relationships and prevent it from clearing its products of the allegations.[9]

On Aug. 7, the Judicial Panel on Multidistrict Litigation ordered the centralization of related actions in the Eastern District of Texas for coordinated or consolidated pretrial proceedings. In In re: Valtrus Innovations Ltd. Patent Litigation, the panel addressed 11 actions pending in four districts, including infringement actions against operators and declaratory judgment actions brought by Vertiv.[10]

The panel found that Valtrus asserted different combinations of three patents based on operators' use of cooling equipment manufactured by Vertiv and other suppliers, and it identified the '287 and '682 patents as common to Vertiv's declaratory judgment actions and the operator infringement suits.

According to the panel, Valtrus' infringement theories focused on the structure and operation of the manufacturers' equipment rather than modifications made by individual operators.[11] Thus, although the operators were the accused infringers, much of the relevant technical evidence concerned products developed by third parties.

These common factual questions, the panel concluded, warranted centralization to reduce

duplicative discovery and the possibility of inconsistent rulings.[12] The panel's decision illustrates how infringement actions against multiple operators can turn on common questions about equipment supplied by third parties, even where the operators use that equipment in different facilities.[13]

Why Data Center Operators May Be Targeted

A single AI data center may combine cooling systems, power management technologies, networking infrastructure, specialized processors and data storage, so an operator can face several potential infringement theories at once.

Patent owners may also have strategic reasons to pursue operators rather than individual equipment manufacturers. Claims against multiple operators may create additional litigation and licensing opportunities, although a patent holder generally cannot recover twice for the same infringing article.

An operator may purchase cooling equipment from one company, servers from another and networking equipment from a third. Depending on the patent claims, infringement may involve a particular component or the operation of the integrated system.

The type of patent claim may also affect whom a patent owner pursues. A method claim is directly infringed only by performing the claimed steps; selling equipment capable of performing them is not, by itself, direct infringement of the method. Where the claimed methods involve operating equipment, the operator may be a more direct target than the manufacturer supplying it.

In the Valtrus litigation, Valtrus alleged that operators performed patented cooling methods using third-party cooling equipment. Vertiv has disputed whether its products can perform certain claimed steps, arguing, for example, that its products do not control the air returns or supply vents that some claims require and that Vertiv does not supply.[14] These disputes illustrate how the relationship between a supplier's equipment and an operator's use of that equipment may play a role in the infringement analysis.

Litigation Risks for Operators and Suppliers

Where the same equipment is used across multiple data centers, similar infringement claims may arise against different operators. Differences in equipment configurations and facility operations can complicate those proceedings. In the Valtrus litigation, Vertiv and

the operators opposed centralization in part because the actions involved equipment from different manufacturers and potentially different configurations, arguments the panel ultimately rejected.[15]

Operators may seek to defer litigation over a supplier's products while related claims involving the manufacturer proceed. In the Valtrus proceedings, the panel acknowledged that the operators' proposed sever-and-stay motions could reduce overlap between the proceedings but concluded that claims involving non-Vertiv products and the '277 patent would remain pending in multiple districts, creating a risk of duplicative proceedings and inconsistent rulings.

Manufacturers may also face litigation burdens even when they are not named as defendants. Their technical documents, product specifications and testimony may be relevant to infringement claims against multiple customers. The panel expressly recognized that the actions would require similar discovery from equipment manufacturers, and operators may need assistance from suppliers to evaluate infringement allegations and prepare their defenses.

Supply contracts may also include defense and indemnification provisions that shift costs to suppliers. In its February declaratory judgment complaint, Vertiv stated that it had notified customers threatened or sued by Valtrus that it would comply with its contractual indemnity obligations arising from infringement allegations based on the use of Vertiv products.[16] The scope of these obligations would depend on the applicable agreement.

Looking Ahead

As investment in AI data centers continues to increase, patent litigation involving the technologies supporting these facilities may become an increasingly significant consideration for operators and equipment suppliers. Cooling systems, networking hardware and specialized processors have already become subjects of infringement suits, as the Valtrus and PulseLink cases illustrate, and data center operators should anticipate continued litigation activity across these technologies.

U.S. District Judge Rodney Gilstrap, who now presides over the centralized operator cases and Vertiv's declaratory judgment actions, will decide the appropriate degree of consolidation or coordination. On Sept. 18, the court stayed Vertiv's February declaratory judgment action. How these proceedings resolve the common questions about Vertiv's equipment may shape the exposure of operators that use it.

Operators should consider the patent exposure associated with equipment deployed within their facilities, particularly where that equipment is supplied by third parties. Practical steps may include reviewing supply agreements for indemnification, defense and notice provisions, and considering cooperation or joint defense arrangements with suppliers before claims arise.[17] Operators may also need to work closely with equipment suppliers to obtain the technical information necessary to evaluate infringement allegations and prepare their defenses.

For suppliers, the trend toward suing operators rather than manufacturers may not eliminate litigation risks; it may simply shift them. Manufacturers may become involved in related proceedings, face discovery obligations or be called upon to assist customers defending infringement claims.

These disputes highlight the litigation risks associated with patented technologies housed within data centers. For operators and equipment suppliers, evaluating potential patent exposure and establishing guidelines for responding to infringement claims may become increasingly vital as these technologies evolve.

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[1] Complaint for Patent Infringement, PulseLink Sys., LLC v. NVIDIA Corp. , No.2:26-cv-00875-JRG-RSP, ECF No. 1 (E.D. Tex. Sept. 29, 2026).

[2] Irish Patent Owner Sues Vertiv Clients Over Data Center Cooling, Bloomberg L. News (Apr. 9, 2026), https://news.bgov.com/ip-law/irish-patent-owner-sues-vertiv-clients-over-data-center-cooling.

[3] Complaint for Declaratory Judgment, Vertiv Corp. v. Valtrus Innovations Ltd. , No. 2:26-cv-00084 (E.D. Tex. Feb. 2, 2026) ("Vertiv Complaint").

[4] Vertiv Complaint, supra note 3.

[5] Transfer Order, In re Valtrus Innovations Ltd. Pat. Litig. , MDL No. 3190 (J.P.M.L. Aug.7, 2026) ("Transfer Order").

[6] Vertiv Complaint, supra note 3.

[7] Complaint for Patent Infringement, Valtrus Innovations Ltd. v. Lumen Techs., Inc. , No.3:26-cv-01346 (W.D. La. Apr. 27, 2026) ("Lumen Complaint").

[8] Vertiv Complaint, supra note 3.

[9] Id. at 1-2.

[10] Id. at 1-3.

[11] Transfer Order, supra note 5.

[12] Id. at 1-2.

[13] Order, Vertiv Corp. v. Valtrus Innovations Ltd., No. 2:26-cv-00084-JRG, ECF No. 40 (E.D. Tex. Sept. 18, 2026).

[14] Vertiv Complaint, supra note 3.

[15] Transfer Order, supra note 5.

[16] Vertiv Complaint, supra note 3,

[17] Id.