United States District Court,
S.D. Ohio, Western Division.

DOLLY, INC,
Plaintiff.
v.
SPALDING & EVENFLO COMPANIES, INC,
Defendant.

Civ. A. No. C-3-90-226

Jan. 8, 1991.

Charles J. Faruki, Faruki, Gilliam & Ireland, Dayton, Ohio, for plaintiff.

Christopher B. Fagan, Fay, Sharpe, Beall, Fagan, Minnich & McKee, Cleveland, Ohio. Thomas W. Flynn, Trial Attorney, Biebel & French, Dayton, Ohio, of counsel), for defendant.

FINDINGS OF FACT, CONCLUSION OF LAW, AND DECISION GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

MICHAEL R. MERZ**, United States Magistrate Judge.**

This is an action for patent infringement and unfair competition brought by Plaintiff on June 20, 1990.

On October 1, 1990, the parties unanimously consented to full magistrate jurisdiction under 28 U.S.C. s. 636(c) and the case has been referred to United States Magistrate Judge Michael R. Merz under that statutory authority (Doc. # 18). The findings of fact and conclusions of law made herein by the Magistrate are, therefore, those of the Court for this action.

On October 29, 1990, this action came on for hearing on Plaintiff's Motion for Preliminary Injunction (Doc. # 4). At that time the parties agreed, pursuant to Fed.R.Civ.P. 65(a)(2) to consolidate the preliminary injunction hearing with trial on the merits, reserving to the Defendant its right to discovery and trial on three additional matters and with the understanding that insofar as Plaintiff sought an injunction during the pendency of this action, it would be held to the legal standards for issuance of a preliminary injunction rather than the standards for a grant of permanent injunctive relief.

SCHEDULING OF ADDITIONAL MATTERS

The three additional matters as to which the evidentiary record is left open are (1) whether Dolly's focus group activity constituted a public sale more than one year before the date of the patent application so as to invoke the on-sale bar defense, (2) Dolly's second generation Go'n'Grow chair, and (3) a document authored by Ken Marcus about the Go'n'Grow chair (Defendant's Exhibit [hereinafter "DX"] DB).

Plaintiff also reserved the right to amend to seek damages for willful infringement. Plaintiff shall file any amended complaint for damages within fifteen days of the date of this Decision.

Within thirty days of the date of this Decision, the parties shall file a joint discovery plan as to any

additional discovery needed, including a discovery cut-off date.

DECISION

On November 29, 1990, the parties submitted proposed findings of fact and conclusions of law at the Court's request. (Doc. ## 28, 29). Pursuant to Fed.R.Civ.P. 52, the Court adopts the findings of fact and conclusions of law set forth below. To the extent the Court has mischaracterized any of the findings of fact as a conclusion of law or any conclusion of law as a finding of fact, the same is hereby adopted by the Court in accordance with its proper characterization.

FINDINGS OF FACT

1. Plaintiff Dolly, Inc. ("Dolly") is an Ohio corporation with its principal place of business within this district at 320 North Fourth Street, Tipp City, Ohio.

2. Defendant Spalding & Evenflo Companies, Inc. ("Evenflo"), is a Delaware corporation with its corporate headquarters in Tampa, Florida. Evenflo maintains a regular place of business in this district, operating under the divisional name of Evenflo Juvenile Furniture Co., at 1801 Commerce Drive, Piqua, Ohio.

3. On August 8, 1989, the United States Patent and Trademark Office issued United States Patent No. 4,854,638, entitled "PORTABLE ADJUSTABLE CHILD'S CHAIR" (the "Patent") to inventors Kenneth N. Marcus and Phillip L. Brookshire. The inventors have assigned their rights to Dolly (Plaintiff's Exhibit [hereinafter "PX"] 1).

4. The application for the Patent, U.S. Patent Application Serial No. 270, 742 was filed November 14, 1988. (PX 1) At approximately the same time, Dolly began to take the first orders for sales of the child's chair described in the Patent, which Dolly manufactures under the trademark Go'n'Grow. (PX 25).

5. In April 1990, Defendant Evenflo began to sell its own portable adjustable child's chair under the trade name Snack & Play. (PX 25). Evenflo's Snack & Play chair was designed and intended to compete directly with the Go'n'Grow chair. (PX 32).

6. The development of the child's chair which is the subject of the Patent began in 1984 when Mr. Dennis Sullivan (Dolly's president) initiated a program to develop new products for Dolly in the nursery products area (PX 5). Mr. Sullivan had determined that, in order to grow, Dolly needed to expand beyond its traditional product lines.

7. In approximately mid 1984, Kenneth N. Marcus, Dolly's Senior Vice President of engineering, conceived a legless highchair that could also be used as a booster seat. The product had a removable tray, a strap for securing it to a conventional kitchen or dining room chair, and an adjustable footrest (PX 7).

8. The Marcus legless highchair was presented to a focus group by dolly for evaluation in approximately August 1984, and the concept was well received (PX 8).

9. For nearly two years, work on the legless highchair concept of Marcus was put on hold as Dolly turned its attention to improving its then existing product line consisting, for the most part, of products for the nursery including table lamps, hanging mobiles, wall decorations and the like. (PX 25).

10. In late 1986, Dolly turned its attention back to the Marcus legless highchair concept and engaged Phillip L. Brookshire of Index Design of Cincinnati, Ohio, to assist in new product development including the legless highchair. (PX 25).

11. In January, 1987, Brookshire presented drawings to Dolly of potential new products including several product concepts for a combination booster seat/highchair (PX 11).

12. Of the several concepts that were suggested to Dolly by Brookshire in January, 1987, two were contained in a single rendering identified as Panel No. 9 (PX 12). In this panel two different approaches to a booster seat/highchair product were suggested by Brookshire including a product in which a chair back and seat were each slidably received within a chair frame made up of a pair of opposed sides and interconnected by three substantially horizontal dowel-like members. The opposed sides defined a series of horizontal and vertical grooves to receive the chair seat and back in a variety of positions allowing for adjustability in the chair to accommodate a growing child. This structure was shown in the Brookshire Panel No. 9 (PX 12) in the upper lefthand corner.

13. With further reference to the Brookshire proposals of January, 1987, the Panel No. 9 (PX 12) also displayed a second concept for a booster seat/highchair. This second concept was shown in the lower righthand corner of Panel No. 9 (PX 12). The second concept of Panel No. 9 (PX 12) was defined by a generally U-shaped chair body including a pair of sides molded integrally to a back. Opposed grooves were defined in the sides and back in order to slidably receive a chair seat. The second concept as suggested by Brookshire did not include an adjustability feature for the chair back. Rather, and to the contrary, the chair back of the second concept (lower righthand corner of Panel No. 9-PX 12) was integrally molded with the sides of the chair to define a generally U-shaped body in order to receive the chair seat.

14. The second Brookshire concept (that shown in the lower righthand corner of Panel No. 9 (PX 12)) was not disclosed in U.S. Patent Application Serial No. 270,742 filed November 14, 1988.

15. At approximately the same time as Brookshire made his presentation of Panel No. 9 (PX 12) to Dolly in January, 1987, Pansy Ellen Products, Inc., introduced to the trade a booster seat designated "The Graduate" (DX AF and DX BD). The Pansy Ellen Graduate booster seat was structurally similar to that shown by Brookshire in his Panel No. 9 (PX 12) lower righthand corner in that the Pansy Ellen product included a chair back and integrally molded chair sides defining a generally U-shaped chair body to receive a slidable seat.

16. The booster seat/highchair of the upper lefthand corner of the Brookshire Panel No. 9 (PX 12) was presented in concept form to a focus group by Dolly in July, 1987, and was well received.

17. In late 1987 a first rough wooden model of the chair shown in the upper righthand corner of the Brookshire Panel No. 9 (PX 12) was authorized by Dolly (PX 25).

18. In approximately February, 1988, the wooden model was completed and was made the subject of photographs for potential advertising use (PX 14).

19. In May 1988, the wooden model was presented to a Dolly focus group for review (PX 15).

20. The prototype model was viewed positively by the focus group. (PX 15).

21. During the time period of November 13-16, 1988, Dolly introduced at the Juvenile Products Manufacturers Association ("JPMA") show in Dallas, Texas, the chair shown in the upper lefthand corner of Brookshire Panel No. 9 (PX 12) under the trademark "Go n' Grow".

22. Kenneth Marcus and Phillip Brookshire filed the subject patent application on November 14, 1988. The Patent as issued describes a child's chair designed primarily to be placed upon, and, for safety, strapped down to, an existing chair or other support, although the chair can also be placed directly on the floor. The seat of the chair can be raised and lowered to accommodate children of different sizes and ages. The Patent

also describes means for adjusting the back of the chair forward or backward as a further accommodation for children of different sizes, but that feature is not an element of the claims at issue in Dolly's preliminary injunction motion. In addition, the Patent describes a tray that can be attached to the chair so that it may be used as an infant's high chair and the addition of safety straps to secure the child in the chair. (PX 1).

23. The essence of the invention is its combination of features and, based upon that combination, its adaptability of use. With the tray attached, and the chair secured to an existing chair or other support, the invention can serve as a substitute for a standard high chair. Without the tray, the invention can be used as a booster seat at a regular table for an older child. The small size of the chair, relative to a standard high chair, makes it easier to store and more practical to carry to a restaurant or another home, where a high chair or booster seat may not be available. Furthermore, the adjustability of the chair makes it usable across a longer span of years of a child's life than either a high chair or booster seat. (PX 1; PX 3; Testimony of Dennis Sullivan, Kenneth Marcus, Phillip Brookshire, and H. Bradley Hammond.)

24. Dolly alleges infringement of claim 19 of the Patent. Claim 19 is dependent upon, and therefore incorporates, claims 16 and 17 of the Patent. In its entirety, claim 19, including claims 16 and 17, reads as follows:

16. A portable adjustable child's chair, comprising:

(a) a contoured seat panel;

(b) a contoured back panel;

(c) two side panels having on their inner surfaces facing each other a plurality of generally horizontal grooves or channels to slidably receive said seat panel whereby said seat panel may be raised or lowered; and

(d) a stable rigid frame which is formed in part from said side panels and which along with said seat panel and said back panel provides a body supporting feature, said stable rigid frame being self-supporting and free-standing, whereby said child's chair is readily portable and easily stored.

17. The portable adjustable child's chair of Claim 16 further comprising:

a serving tray; and

means for removably attaching said tray to said child's chair.

19. The portable adjustable child's chair of Claim 17 further comprising means for retaining the occupant in said child's chair and means for securely attaching said child's chair to an existing chair or other support.

(PX 1.)

25. As construed by the Court, claim 19 reads on Evenflo's Snack & Play chair as follows: (References are made to the diagrams and colored identification provided in PX 20, Dolly's claim chart.)

a. The Snack & Play chair is a portable adjustable child's chair, as required by the preface of claim 16;

b. The Snack & Play chair contains a contoured seat panel, shown in blue on PX 20, as required by paragraph 16(a);

c. The Snack & Play chair has a contoured back panel, shown in blue, as required by paragraph 16(b);

d. As required by paragraph 16(c), the Snack & Play chair has two side panels, shown in green. These side panels have, on their inner surfaces facing each other, a plurality (three) of generally horizontal grooves or channels, shown in red, which slidably receive the seat panel and allow the seat panel to be raised and lowered;

e. The Snack & Play chair comprises a stable rigid frame which is formed in part from the side panels, as required by the first clause of paragraph 16(d); the other elements of the stable rigid frame in the Snack & Play chair are the back panel and seat panel;

f. The next clause of paragraph 16(d) provides that the stable rigid frame "along with said seat panel and said back panel provides a body supporting feature." In the Snack & Play chair the stable rigid frame works "along with," since it includes, the back panel and seat panel to provide a body supporting feature;

g. The stable rigid frame of the Snack & Play chair is self-supporting and free-standing and allows the chair to be readily portable and easily stored, as required by the remainder of paragraph 16(d);

h. The Snack & Play chair includes a serving tray (shown in tan), and means for removably attaching the tray to the child's chair, including latches on the tray and slots in the side panels to engage portions of the latches (designated in orange), all as required by claim 17;

i. Finally, the Snack & Play chair contains means for retaining the occupant in the chair, comprising a seat belt assembly, shown in yellow, and a means for securely attaching the chair to an existing chair or other support, comprising a pair of straps at the back and underneath the chair, also shown in yellow, all as required by claim 19.

In sum, the Court finds that every element required by claim 19 of the Patent exists in the Snack & Play chair. (PX 1; PX 4; PX 20; Testimony of Albert Strasser, H. Bradley Hammond, and William Weigl.) This finding is the factual basis for the Court's conclusion that the Snack & Play chair literally infringes claim 19 of the Patent.

26. The Court further finds that the features of the Snack & Play chair perform substantially the same function in substantially the same way as the Dolly chair to achieve substantially the same result. More specifically, the Court finds that, in comparison with paragraph 16(d), the side panels, back panel and seat panel of the Snack & Play chair perform substantially the same function (providing stability, rigidity, and a body-supporting feature) in substantially the same way (by working in an interconnected manner to provide those functions within a stable rigid frame) to achieve substantially the same result (a self-supporting and free-standing chair that is readily portable and easily stored). The Court further finds that the grooves, channels, or slots [FN1] in the side panels of the Snack & Play chair perform substantially the same function (providing support to the seat panel at a variety of heights) in substantially the same way (by slidably receiving the seat panel) to achieve substantially the same result (a chair with a seat panel that can be raised and lowered). (PX 1; PX 4; Testimony of Albert Strasser and H. Bradley Hammond.) These findings are the basis of the Court's alternative conclusion that the Snack & Play infringes the Patent under the doctrine of equivalents.

27. The JPMA Show is an annual trade show conducted by members of the Juvenile Products Manufacturers association. Both Dolly and Evenflo are members of the JPMA. The show is a public trade show in which members display their products, including new product introductions, to customers. Members have an opportunity to see each other's products during the course of the show.

28. When Dolly's Go'n'Grow chair was introduced at the November, 1988, JPMA Show, it was the only product of its kind on the market. (Testimony of Kenneth Marcus, Phillip Brookshire, Paul Meeker and

Richard Glover.) Robert DeNapoli, an advertising consultant for Evenflo, wrote in a memorandum recording his impressions of the 1988 JPMA Show that the Go'n'Grow chair was "the only true new offering" in the high chair category at the show. (PX 30.) Paul Meeker, who designed the Snack & Play chair for Evenflo, stated to Evenflo when he introduced his own design that the Go'n'Grow chair represented "a new product category." (PX 32.) Both Mr. Meeker and Mr. Glover testified that they viewed the Go'n'Grow chair as a new kind of product when they first observed it at the 1988 show.

29. Meeker testified that he saw the chair at some distance at the 1988 JPMA Show and over a period of time of approximately 10-15 minutes was able to see the chair demonstrated by Dolly to customers. Mr. Meeker was at that time an independent designer/inventor under contract to Evenflo. When his products were accepted and manufactured by Evenflo, Meeker received a royalty from Evenflo based on sales of the product. Meeker is the holder of many patents covering infant and juvenile products.

30. After seeing the Go 'n' Grow chair at the 1988 JPMA Show, Meeker made a mental note to purchase the chair when it became available at retail. The Dolly Go 'n' Grow chair was also observed at the 1988 JPMA Show by Richard Glover, the Evenflo Director of Product Development and Robert DeNapoli an advertising consultant for Evenflo (PX 25).

31. In approximately June, 1989, Meeker purchased a Go 'n' Grow chair in a retail store in the Cleveland, Ohio, area. The Go 'n' Grow chair was then shown to an Evenflo focus group where it was presented as a product having a retail price of $29.99. Meeker wrote in his notes that "all liked" the Dolly chair (PX 31).

32. Believing that the concept of a combination booster seat/highchair would be well received by the purchasing public, Meeker began work, in approximately July, 1989, on an Evenflo chair that would be competitive with the Dolly Go 'n' Grow chair. He made a sketch of the proposed Evenflo Chair on July 26, 1989 (PX 31).

33. By August 15, 1989, Meeker had completed a wooden model of his proposed chair and wrote to Mr. Richard Glover of Evenflo announcing that the chair was ready to be shown to Evenflo personnel (PX 32). Meeker referred to his proposed chair as the "Tag-Along" portable highchair/booster. The designation "Tag-Along" suggested that a young mother could take the chair with her child when traveling.

34. On August 17, 1989, Meeker presented his wooden prototype to an Evenflo new product meeting (PX 33). The Dolly "Go "n' Grow" chair was also shown to the same group. The Meeker chair met with acceptance at Evenflo which decided to proceed with the product as a first priority (PX 33).

35. On September 7, 1989, Meeker sent to Richard Glover a list of "key features" of the Evenflo portable highchair/booster which was by that time designated by Evenflo as the "Snack & Play" product (PX 45).

36. Also in September, 1989, Meeker and Evenflo made a cost analysis of the "Snack & Play" product (PX 40 and PX 41).

37. In September, 1989, Evenflo presented its "Snack & Play" chair at the JPMA Show.

38. Production of the Evenflo "Snack & Play" chair commenced in April, 1990 (PX 25).

39. As of the time of the hearing, the Go 'n' Grow and Snack & Play chairs represented the only two examples in the retail market of portable adjustable child's chairs that can serve as both a high chair and a booster seat. (Testimony of Kenneth Marcus and Dennis Sullivan; PX 23.)

40. While Evenflo presented at the hearing a number of patents and one other product as prior art, none of this prior art contains all of the elements of claim 19 of the Patent. (Testimony of Albert Strasser.) Indeed,

Mr. Weigl, Evenflo's patent law expert, did not offer an opinion that this prior art either anticipated or rendered obvious the invention disclosed in claim 19 of the Patent. The testimony of both Dolly's and Evenflo's witnesses revealed that no single item of prior art cited by Evenflo contains the full combination of elements described in claim 19. (Testimony of Albert Strasser and William Weigl.) The Court finds the following differences between the prior art and claim 19 of the Patent:

a. The February, 1987, issue of *Juvenile Merchandising* discussing Pansy Ellen's "Graduate" Booster Seat (DX AF) discloses an adjustable contoured seat panel in a portable booster seat but fails to disclose or suggest a high chair, a contoured back panel, two side panels, a serving tray, means for removably attaching a tray to a child's chair, means for retaining the occupant in the child's chair, or means for attaching the child's chair to an existing chair or other support.

b. Lang U.S. Patent No. 1,739,366 (DX BM) discloses a combination child's chair that is portable and has a removable tray and a means for attaching the child's chair to an existing chair, but is not adjustable and does not have a contoured seat panel, a contoured back panel, or two side panels having grooves or channels on their inner surfaces. The Lange child's chair also does not have a means to retain the occupant in the child's chair as recited in claim 19.

c. Seitz U.S. Patent No. 2,418,731 (DX BN) discloses a knockdown baby chair that is portable and has a removable tray, means for retaining the occupant in the baby chair, and means for attaching the baby chair to an existing chair. However, the Seitz baby chair is not adjustable, and has neither a contoured seat panel, a contoured back panel, nor two side panels having grooves or channels on their inner surfaces.

d. Wartes U.S. Patent No. 3,788,700 (DX BR) discloses multifunctional pegged furniture that in one form may be a chair (Fig. 1) which is portable and adjustable. However, it does not have a contoured seat panel, a contoured back panel, or two side panels having grooves or channels to slidably receive the seat panel. Rather, the grooves or channels of Wartes are designed for an interfitted, pegged assembly type adjustment. (Testimony of Albert Strasser.) In addition, Wartes does not have a serving tray, means for removably attaching a tray to a child's chair, means for retaining the occupant in the child's chair, or means for attaching the child's chair to an existing chair or other support.

e. Robinson U.S. Patent 2,515,527 (DX BS) discloses a booster seat for chairs that, in one embodiment (Figs. 5-6), is portable and adjustable in that the seat panel is slidably received in grooves or channels in the side panels. However, Robinson does not have a contoured seat panel, a contoured back panel, a serving tray, means for removably attaching a tray to a child's chair, means for retaining the occupant in the child's chair, or means for attaching the child's chair to an existing chair or other support.

f. UK Patent Application 2,006,617 (DX BT) discloses a chair having a seat of adjustable area. However, it is not a portable child's chair, but rather a chair suited for children or adult disabled persons. When adjusted to be suited for children, by use of partition 75, it no longer has grooved side panels which along with the seat and back panel provide a body supporting feature as called for in claim 16. (Testimony of Albert Strasser.) In addition, the chair of DX BT does not have a means for attaching the chair to an existing chair or other support and, in fact, teaches away from such a function by providing a full-sized chair with numerous adjustment features to accommodate persons of different sizes. The UK reference does have a removable tray and an adjustable seat panel, but does not have a contoured seat panel or a contoured back panel.

g. Opsvik U.S. Patent No. 4,109,961 (DX BV) is a reference that was considered by the Examiner in the prosecution of the patent in suit and is among the "References cited" in the Dolly Patent. (PX 1; PX 2.) Somewhat like Robinson (DX BS), it shows an adjustable chair having a seat panel that is slidably received in grooves or channels in side members. However, it is not a child's chair which is readily portable and easily stored in the manner specified by claim 19. In addition, it does not have a contoured seat panel, a

serving tray, means for removably attaching a tray to a child's chair, means for retaining the occupant in the child's chair, or means for attaching the child's chair to an existing chair or other support.

h. Taylor U.S. Patent No. 4,586,747 (DX CF) shows a utility booster chair having a platform 6 that may be inverted to provide a seat adjustment feature, but it does not have a contoured back panel, two side panels having a plurality of grooves or channels on their inner surfaces, a serving tray, means for removably attaching a tray to a child's chair, means for retaining the occupant in the child's chair, or means for attaching the child's chair to an existing chair or support.

i. German Reference DE 3710505A1 (DX CU) is especially ingenious. It discloses a child's seat that can be adapted to a number of uses including a toy chest, a swing, and a kiddie car. It is portable and adjustable and it has straps for attaching it to an existing chair or support. However, it does not have a contoured seat panel or a contoured back panel. In addition, while the background discussion in the German reference contains a discussion of standard high chairs having a tray, there is no disclosure or suggestion of using a removable tray with the adjustable, portable child's seat. In fact, when the German reference discloses use of the device as a mini-table, it suggests to one skilled in the art that the chest-like structure could be turned over so that the bottom may then serve as a table top. (Testimony of Albert Strasser.) The German language original of DX CU describes this possible use with the word "minitisch." The translation presented by Evenflo translates this word as "mini-table (tray)" but the Court takes judicial notice (as the parties were advised at the hearing that the German word "minitisch" means simply mini-table and contains no reference to a tray.

41. Of the prior art cited by Evenflo, the booster chair disclosed in *Juvenile Merchandising* (DX AF) has features similar to the Dolby *et al*. reference that was considered during the prosecution of the patent in suit, (PX 2); Lange (DX BM) and Seitz (DX BN) have features similar to the Lutes and Reese references that were considered by the Examiner, (PX 2); Wartes (DX BR) and Robinson (DX BS) have features similar to the Opsvik reference of record (DX BV); and the UK and German references (DX BT and CU) have adjustment features similar to those found in the Anderson patent relied upon by the Examiner during the prosecution of the patent in suit, (PX 2). All of the individual features of the prior art relied upon by Evenflo are thus found in the prior art considered by the Examiner. The prior art asserted by Evenflo shows certain features in various combinations as does the prior art considered by the Examiner, but no reference discloses or suggests the combination of features of claim 19.

42. While most of the prior art references in evidence were not cited by the Patent Examiner, they may have been examined by him, and in any event are no more pertinent than references that were considered. (Testimony of Albert Strasser.)

43. Evenflo has not persuaded the Court that the invention of claim 19 would have been obvious to one of ordinary skill in the art at the time the invention was made. No combination of references that would render claim 19 obvious was suggested by Evenflo. Evenflo's patent expert, Mr. Weigl, did not testify that claim 19 would have been obvious to one skilled in the art, based either on any combinations of prior art references or any other basis. On the other hand, Dolly's patent expert, Mr. Strasser testified that in his opinion, which the Court credits, claim 19 would not have been obvious to one skilled in the art from Evenflo's prior art evidence or any combination of that art. Both Mr. Strasser and Dolly's technical expert, Professor Hammond, explained that a "hybrid product" (a product comprised at least in part of older, known elements) such as the Go 'n' Grow chair can be novel and non-obvious. Particularly telling is the rhetorical question these witnesses posed: if this invention is so obvious, why had no one thought of it before when high chairs and booster seats have been well-known for years? On cross examination Mr. Weigl conceded that most patents issued today are for inventions that are combinations of known elements; this fact does not render the Patent in suit obvious.

44. In addition to the lack of evidence that the references cited by Evenflo would have made the invention

disclosed in claim 19 of the Patent obvious to one skilled in the art, this case contains a host of objective indicia of non-obviousness.

45. The Go 'n' Grow chair embodiment of the Patent achieved initial commercial success upon its introduction. Sales of juvenile products such as this one are made initially by the manufacturer to retailers, who purchase the product and then resell it to consumers. Dolly had projected a first-year sales goal of 100,000 units and in fact exceeded that goal. (Testimony of Dennis Sullivan.) While sales to retailers dropped off in the second year of production, due to slow consumer sales, Dolly determined after investigation that the lack of consumer sales was due in large part only to the point-of-sale placement of the product by the retailers. Retailers had placed the Go 'n' Grow chair in the stores among booster seats, although Go 'n' Grow is more expensive and has more features than common booster seats. (Testimony of Dennis Sullivan.) Dolly discovered that when stores placed the Go 'n' Grow chair instead next to high chairs, to which the Go 'n' Grow was a cheaper alternative, consumer sales picked up substantially. (Testimony of Dennis Sullivan.) Dolly even produced a new point-of-sale display, a cardboard chair on which the Go 'n' Grow chair could be placed, to encourage this point-of-sale placement. (PX 19; Testimony of Dennis Sullivan.) The Court finds that this consumer confusion regarding the features of the Go 'n' Grow chair is itself indicative of non-obviousness; because the chair was a wholly new type of product, consumers had to be taught about its features.

46. Even before the Go 'n' Grow chair was on the market, the early concepts of the chair received favorable response from potential users at focus groups used by Dolly for the development process. (Testimony of Kenneth Marcus; PX 25.) Dolly held one such focus group in July, 1987, at which participants were presented with a two-dimensional drawing of the chair concept. (PX 12; Testimony of Kenneth Marcus.) Dolly had not yet constructed a prototype of the chair by July, 1987, and no chair was available to be used or sold to these participants, nor did Dolly attempt to make such a sale. (Testimony of Kenneth Marcus.) Nevertheless, comments of the respondents of the focus group, recorded in a report of the focus group sessions, (PX 13), indicated that the chair concept was "enthusiastically received." Specific comments recorded in that report further indicate that respondents felt that it was a shame the product was not yet for sale and that respondents liked the space-saving features of the chair, the fact that it could be turned into a booster seat, the fact that it could be taken on vacation, and the fact that it could be used on a regular dining room chair instead of a traditional high chair. (PX 13.) In general, the Go 'n' Grow rendering was viewed "as a marked improvement over the traditional booster chair." (PX 13.) At a later focus group in May 1988, at which a model of the Go 'n' Grow chair was shown to consumers, the chair was also "greeted enthusiastically." (PX 15.)

47. The Go 'n' Grow chair received further industry recognition for its innovation after introduction. *USA Today* made mention of the chair as one of several new products discussed in an article appearing during the 1988 JPMA show. (PX 16.) Most significantly, at the JPMA Show in 1989, a year after the Go 'n' Grow was introduced, it was selected from among 55 entries by the Juvenile Products Manufacturers Association as one of the "10 Most Innovative Products." (PX 17.)

48. The reactions of Evenflo's product designer Paul Meeker to the Go "n' Grow, detailed above, further indicate the non-obviousness of the Dolly patent.

49. The Go 'n' Grow chair is Dolly's first new product outside its traditional product lines. (Testimony of Kenneth Marcus and Dennis Sullivan.) Dolly is marketing the Go 'n' Grow to help it create a company image outside of decorative nursery items and provide a toehold into new product areas. The patented Dolly Go 'n' Grow is the vehicle by which Dolly is attempting to enter the juvenile furniture marketplace, a market new to it. This marketplace is very competitive and includes a number of large corporations, such as Evenflo, with brand names that are well known in that marketplace. (Testimony of Dennis Sullivan.) Thus, if the Go 'n' Grow chair is not a success in the marketplace because of competition from the Snack & Play chair, then Dolly will suffer more than the failure of a single new product; it will suffer an irreparable

setback in its efforts to expand its product lines. (Testimony of Dennis Sullivan.)

50. Dolly made a significant investment in development of the Go 'n' Grow chair. It began with a process of identification of needs and possible new product ideas in 1984, through focus groups with potential consumers and a panel of expert advisors who developed a variety of new product ideas. (Testimony of Kenneth Marcus; PX 6; PX 25.)

a. One of the ideas coming out of this early process was a high chair with snap-off legs that could be used by a child at a table. (PX 6.) Building on this idea, Ken Marcus of Dolly conceived of a high chair with no legs at all, which could be used both as a high chair and a booster seat when placed on a conventional chair. (Testimony of Kenneth Marcus.) Mr. Marcus' idea was put into the form of a drawing in late 1984. (Testimony of Kenneth Marcus; PX 7; PX 25.)

b. The drawing of the legless high chair along with numerous other new product ideas was presented to a focus group in September, 1984, to gauge potential user reaction and seek input for further development. (Testimony of Kenneth Marcus; PX 25.) Three new products emerged from this focus group as most warranting further development; the Go 'n' Grow chair concept, then described as a booster seat/high chair, received the highest degree of approval. (Testimony of Kenneth Marcus; PX 8.)

c. Development work resumed in earnest in late 1986 when Dolly engaged the services of Phillip Brookshire, an independent designer, to assist it in the development process. (Testimony of Kenneth Marcus; PX 25.) Mr. Brookshire independently developed a variety of product ideas, including several seating products, which were presented to Dolly in drawing form in January, 1987. (Testimony of Phillip Brookshire; PX 11; PX 25.)

d. Mr. Marcus at Dolly built upon one of these drawings, an adjustable booster seat, by adding to Mr. Brookshire's rendering a removable tray and safety straps to create a rendering that bears many similarities to the eventual Go 'n' Grow product. (Testimony of Kenneth Marcus; PX 12; PX 25.) At the same time, Dolly was still considering other new products as the first entry into new product lines.

e. The rendering of the Brookshire/Marcus conception, along with rendering of other products, was presented to yet another focus group in July, 1987, and again the booster seat/high chair received high approval ratings. (Testimony of Kenneth Marcus; PX 13; PX 25.)

f. Dolly next constructed models of the Go 'n' Grow concept in late 1987 and early 1988. (Testimony of Kenneth Marcus; PX 25.) The second of these models (shown in photographs that are PX 14) was shown to a fourth focus group in May of 1988. (Testimony of Kenneth Marcus; PX 15; PX 25.)

g. Based on the reactions at that focus group, Dolly proceeded to full development of the Go 'n' Grow chair, a third model of which was introduced at the JPMA Show in November 1988. (Testimony of Kenneth Marcus; PX 25.)

i. Mr. Marcus testified that Dolly had spent approximately $56,000, not counting internal salaries, to reach this final design stage for the Go 'n' Grow chair in late 1988. (Testimony of Kenneth Marcus.) This figure far surpassed the costs of previous development projects at Dolly. Dolly further spent approximately $250,000 to prepare the tooling and machinery necessary for production of the Go 'n' Grow chair and approximately $150,000 to prepare packaging and advertising in order to sell the chair. (Testimony of Kenneth Marcus.) All told, exclusive of actual production and materials costs, Dolly spent over $450,000 developing the Go 'n' Grow chair. There are other costs that cannot be readily quantified. (Testimony of Kenneth Marcus and Dennis Sullivan.)

51. Evenflo intended that the Snack & Play chair would be a direct competitor for the Go 'n' Grow.

(Testimony of Richard Glover and Paul Meeker.) In Mr. Meeker's presentation of his Snack & Play chair to Evenflo, he in fact touted the Snack & Play chair as a "winning product" for the high chair/booster seat market, which could make Evenflo "the leader in that segment." (PX 32.) Mr. Meeker stated that the Snack & Play chair would be a relatively low-risk investment for Evenflo, that the product was better than the Go 'n' Grow, and that the Snack & Play would sell for significantly less than the Go 'n' Grow. (PX 32.) Mr. Meeker viewed Dolly as a "relatively weak competitor" which had opened up a new product market with the Go 'n' Grow chair in which Evenflo could now become the leader. (PX 32.)

52. Evenflo has a large presence in the juvenile furniture market with its well-known brand name. Evenflo and Dolly are selling their two portable adjustable child's chairs in direct competition to substantially the same customer base, the majority of which consists of approximately ten large chain retailers. Dolly's successful sale of the Go 'n' Grow chair and its entry into the juvenile furniture market through that product depends upon success in selling to these large retail chains. Evenflo knew of Dolly's sales price to these retailers, and has sold and is selling its Snack & Play chair to the same customers at a lower price. (PX 55). Retailers are apparently reluctant to acquire and maintain in their distribution system (catalogs and warehouses) both the Go 'n' Grow and the Snack & Play. Evenflo has sold a large number of its Snack & Play chairs to the large retail chains so far (PX 54 and 54A) and is calling on all of the large chain retailers to which Dolly is trying to sell its chair. (Testimony of Dennis Sullivan, Richard Glover, Allen Seymour, and Walt Witwer.)

a. The primary buyers for consumer products such as the Go 'n' Grow and Snack & Play are the large retail customers, including Sears, J.C. Penney, Best Products, Service Merchandise, Toys R Us, Child World, Wal-Mart, K-Mart, Target, Venture, and Lionel Leisure. (Testimony of Dennis Sullivan and Allen Seymour; PX 66.) Dolly initially sold the Go 'n' Grow chair to all of these major customers with the exception of Target and Venture. (PX 66).

b. Evenflo has directed its marketing efforts to this same list of customers, attempting to sell the Snack & Play chair to each. (Testimony of Allen Seymour and Walt Witwer, Evenflo's director of marketing; PX 66).

c. While Evenflo has as yet sold the Snack & Play chair only to Sears, Venture, and Wal-Mart, the latter of which has stopped buying the Go 'n' Grow chair, it continues its marketing efforts with the remaining large retail customers. (Testimony of Allen Seymour; PX 66.)

d. In the appropriations request prepared by Evenflo's director of marketing, Walt Witwer, in October, 1989, Mr. Witwer acknowledged that the Go 'n' Grow chair presented the major competition for the Snack & Play but that Evenflo believed that the Snack & Play was far superior. (Testimony of Walt Witwer; PX 64.) Mr. Witwer stated that "a new segment in high chairs has been established and is growing-the combination portable high chair and booster seat." Evenflo's intent was "to enter this growing segment as soon as possible with a competitively priced proprietary product." (PX 64.) Mr. Witwer further noted that Evenflo had not conducted "in-depth market research" on the Snack & Play chair but had shown the Go 'n' Grow chair to an Evenflo focus group. (PX 64.)

e. In the same request, Mr. Witwer noted that the strength of the Go 'n' Grow product "lies in its four-color packaging." (PX 64.) Most Evenflo products are sold in what is described as an "oyster" carton, a carton made of white, non-glossy, cardboard with either printing or a pasted label on the carton. (Testimony of Walt Witwer and Richard Glover; PX 61.) Further, Evenflo's packaging traditionally contains a common design element consisting of a large Evenflo name over a series of horizontal parallel lines across the carton. (Testimony of Walt Witwer; PX 61.) For the Snack & Play chair, however, Evenflo designed a four-color package, like that of the Go 'n' Grow chair, which bears striking similarities to the Go 'n' Grow packaging. (PX 3; PX 4.) Both packages contain primarily a series of photographs showing the product in a variety of uses. (PX 3; PX 4.) The photographs themselves are very similar, each package having, for instance, a photograph of a child in the respective chair placed on the floor watching television; a photograph on the

front of the package showing an infant being fed in the chair used as a high chair; and a photograph of the fully-assembled chair in the trunk of a red automobile. (PX 3; PX 4.) Further, the Evenflo package does not contain the common design logo of the Evenflo name above a series of horizontal lines. Finally, Evenflo elected to use this four-color packaging rather than the more traditional oyster carton, even though the new package cost approximately $1.20 more per package than oyster cartons. (Testimony of Richard Glover; PX 43.) This price increase amounted to approximately 10% of Evenflo's manufacturing costs. (PX 43.) Evenflo's choice to use more expensive four-color packaging that was virtually identical to the packaging of the Go 'n' Grow chair demonstrates Evenflo's intent to compete directly with the Go 'n' Grow chair. (Testimony of Walt Witwer and Allen Seymour; PX 64.)

f. Evenflo's sales of the Snack & Play chair have been increasing at a substantial rate. From the introduction of the chair in April, 1990, through August 21, 1990, Evenflo had sold a total of 17,987 chairs. (PX 54.) By October 26, 1990, that sales figure had increased to 38,806 units. (PX 54A.) Thus, Evenflo's sales increased 116% in the two months prior to the preliminary injunction hearing over sales in the preceding four months of its availability. (PX 54A.)

53. The competition Dolly faces from the Snack & Play chair is enhanced by the relative position of the companies in the juvenile furniture market. Evenflo is recognized as one of the nation's leading manufactures of juvenile furniture products. (Testimony of Allen Seymour.) The presence of the Evenflo name on a furniture product will enhance the product's salability. (Testimony of Allen Seymour; Deposition Testimony of Gary Baughman, former president of Evenflo (pp. 17-18).) By contrast, Dolly is presenting through the Go 'n' Grow its first product in the juvenile furniture market. (Testimony of Dennis Sullivan.)

54. Based upon the foregoing findings, the Court further finds that Dolly will suffer substantial irreparable harm if Evenflo sales of the Snack & Play chair are permitted to continue. That harm will involve not only a loss of sales of the Go 'n' Grow chair, but also a potential loss of Dolly's significant investment in the development of that product and a loss of its toe hold in new product lines for the company. This harm will not be fully compensable by the payment of damages.

55. Evenflo has not persuaded the Court it would be irreparably harmed if forced to cease sales of the Snack & Play chair. Evenflo is already a leading manufacturer of juvenile furniture products. (Testimony of Allen Seymour.) Evenflo presented no evidence that the loss of an ability to market the Snack & Play chair will harm Evenflo's already established market position in juvenile furniture.

56. Evenflo admitted at the hearing that only five people work on a part-time basis to manufacture the Snack & Play chair. Thus, there is no likely serious adverse impact on employment from a preliminary injunction.

57. Further, Evenflo proceeded to market the Snack & Play chair knowing of the existence of the Dolly Patent. Donald Bahr, Evenflo's in-house patent attorney, discovered the Dolly Patent in December, 1989, some months after it was issued, but did not attempt to analyze whether the Snack & Play chair infringed that Patent. (Testimony of Donald Bahr.) Furthermore, both Mr. Glover and Mr. Meeker examined the Dolly Patent in January, 1990, before the Snack & Play chair was placed on sale. (Testimony of Richard Glover.) Neither of these gentlemen, however, sought advice of counsel to determine whether Evenflo risked infringing the Dolly Patent. Thus, Evenflo proceeded entirely at its own risk, and without an opinion of counsel.

58. There is no evidence that the Snack & Play chair serves such a critical public need that the public interest would be disserved by enjoining its production and sale.

CONCLUSIONS OF LAW

A. Jurisdiction and Basis for Relief

1. This Court has subject matter jurisdiction of this action pursuant to 28 U.S.C. s.s. 1331 and 1338(a) & (b), and under the doctrine of pendent jurisdiction. Venue is properly laid in this district.

2. Dolly has title to United States Letter Patent No. 4,854,638 and is owner of all rights under the Patent, including the right to sue for and recover for infringement.

3. Except as otherwise provided in Title 35, United States Code, whoever without authority makes, uses, or sells any patented invention within the United States during the term of the patent therefor, infringes the patent. 35 U.S.C. s. 271(a). A patent owner has a remedy by civil action for infringement of his patent. 35 U.S.C. s. 281.

4. A court having jurisdiction over a patent infringement case may grant injunctions in accordance with the principles of equity to prevent the violation of any rights secured by patent, on such terms as the court deems reasonable. 35 U.S.C. s. 283. Since the Federal Circuit has exclusive appellate jurisdiction in patent cases, this Court must apply the preliminary injunction standards of the Federal Circuit when determining Dolly's entitlement to a preliminary injunction under 35 U.S.C. s. 283. Chrysler Motors Corp. v. Auto Body Panels of Ohio, Inc., 908 F.2d 951, 953 (Fed.Cir.1990); Hybritech, Inc. v. Abbott Laboratories, 849 F.2d 1446, 1451 n. 12 (Fed.Cir.1988).

5. Four factors are to be examined when determining a patent owner's entitlement to preliminary injunctive relief under Section 283:

"(1) [W]hether the plaintiff will have an adequate remedy at law or will be irreparably harmed if the injunction does not issue;

"(2) whether the threatened injury to the plaintiff outweighs the threatened harm the injunction may inflict on the defendant;

"(3) whether the plaintiff has at least a reasonable likelihood of success on the merits; and

"(4) whether the granting of a preliminary injunction will disserve the public interest."

Roper Corp. v. Litton Sys., Inc., 757 F.2d 1266, 1269 (Fed.Cir.1985) (quoting O'Connor v. Board of Educ., 645 F.2d 578, 580 (7th Cir.), *cert. denied,* 454 U.S. 1084 (1981)). None of the four equitable factors in the preliminary injunction determination is itself dispositive. Chrysler Motors Corp., 908 F.2d at 953; Roper, 757 F.2d at 1269 n. 2.

6. The determination of a patent owner's entitlement to a preliminary injunction lies largely within the sound discretion of the trial court. Chrysler Motors Corp., 908 F.2d at 953; Trial Brief of Dolly, p. 9; Trial Brief of Evenflo, pp. 5, 7.

B. Reasonable Likelihood of Success on the Merits-Infringement

7. In order to demonstrate a reasonable likelihood of success on the issue of infringement, Dolly need only show a reasonable likelihood that Evenflo has infringed a valid claim of its patent. Carl Zeiss Stiftung v. Renishaw plc, 740 F.Supp. 1038, 1044 (S.D.N.Y.1990). Infringement of one claim of the patent is sufficient to support the issuance of a preliminary injunction. Illinois Tool Works, Inc. v. Grip-Pak, Inc., 906 F.2d 679, 682 n. 4 (Fed.Cir.1990); Pittway v. Black & Decker, 667 F.Supp. 585, 588 (N.D.Ill.1987); Trial Brief of Dolly, p. 31 n. 13; Trial Brief of Evenflo, p. 10.

8. The infringement determination requires a two-step analysis: (1) defining the scope of the patent's claims, and (2) determining whether the limitations of the patent claims are found within the accused device.

Smithkline Diagnostics, Inc. v. Helena Laboratories, 859 F.2d 878, 889 (Fed.Cir.1988). The first step is an issue of law; the second step is an issue of fact. *Id.;* Hormone Research Found., Inc. v. Genentech, Inc., 904 F.2d 1558, 1562 (Fed.Cir.1990).

9. Defining the scope of the claims, or claim construction, involves review of (1) the claims of the patent (including claims not asserted to be infringed, as well as the asserted claims), (2) the patent's specification, and (3) the prosecution history. Hormone Research Found., 904 F.2d at 1562. Expert testimony may also be used to determine the scope of the claims. *Id.;* Snellman v. Ricoh Co., 862 F.2d 283, 287 (Fed.Cir.1988), *cert. denied,* 491 U.S. 910, 109 S.Ct. 3199 (1989).

10. As a "dependent" claim, claim 19 of the patent includes not only the elements stated in that paragraph but also the elements of claims 16 and 17. Claims written in dependent form incorporate the features of another claim of the patent as if fully restated. 35 U.S.C. s. 112. Claim 19 is dependent on claim 17, which is dependent on claim 16. Thus, claim 19 incorporates all of the features of claims 16 and 17.

11. Of the claims at issue, claims 16, 17, and 19, Evenflo disputes only Dolly's interpretation of the scope of paragraph 16(d). Finding of Fact 10. Although Evenflo elicited testimony from its expert witness, Mr. Weigl, on the term "grooves or channels" used in 16(c), Weigl agreed, as did Evenflo's director of product development, Richard Glover, that the terms "slots," "grooves," and "channels" are interchangeable. Dolly's experts testified that the "slots" of the Snack & Play chair actually form "horizontal grooves or channels" on the inner surfaces of the "two side panels" "facing each other" as recited in paragraph 16(c).

12. Evenflo presented three arguments regarding the construction of paragraph 16(d), none of which are correct: (1) 16(d) requires a frame constructed of side panels and tubular supports and tie rods as described in the preferred embodiment (the Go 'n' Grow chair); (2) 16(d) prohibits inclusion of the seat and back panels as components of the stable rigid frame; and (3) 16(d) requires that the stable rigid frame be permanently assembled.

13. In construing paragraph 16(d), the Court must give the terms of the claim their ordinary meaning, "unless it appears that the inventor used [the terms] differently." ZMI Corp. v. Cardiac Resuscitator Corp., 844 F.2d 1576, 1579 (Fed.Cir.1988). The ordinary meaning of the language "a stable rigid frame which is formed in part from said side panels" requires a stable rigid frame formed from side panels and from something else. Giving the words in the claim their ordinary meaning, nothing in the claim requires the tubular supports and tie rods to be the "something else," nothing in the claim prohibits the seat and back panels from being the "something else," and nothing in the claim requires that the frame be permanently assembled.

14. Paragraph 16(d) requires a stable rigid frame (formed from the side panels and from something else) "which along with said seat panel and said back panel provides a body supporting feature." Evenflo's argument that this language means that the back and seat panel in the patented device cannot form part of the stable rigid frame is erroneous and is inconsistent both with the testimony of the Dolly witnesses who explained the interpretation of the language (witnesses Marcus, Hammond, and Strasser) and with the syntax of the language. The Court accepts the explanations of Messrs. Hammond and Strasser as to the description of the structure of the chair described in the language of paragraph 16(d). The back and seat panels can be part of the stable rigid frame or those panels can independently provide a body-supporting feature as additions to the stable rigid frame. The claim's reference to the seat and back panels as providing a body supporting feature is redundant (Trial Brief of Evenflo, p. 26) only if the seat and back panel are construed as a necessary part of the stable rigid frame, which is not the case. Under the ordinary meaning of the language of 16(d), the seat and back panel may but do not have to be part of the frame.

15. In other words, paragraph 16(d) requires "a stable rigid frame [1] *which* is formed in part from said side panels and [2] *which* along with said seat panel and said back panel provides a body supporting feature"

(emphasis added). These two "which" clauses are describing (1) how the stable rigid frame is formed, and (2) how the stable rigid frame provides a body supporting feature. As demonstrated in PX 68 and explained by Dolly's experts Strasser and Hammond, the stable rigid frame is formed "in part from said side panels"; therefore, the frame must include the side panels in its formation. The stable rigid frame further provides a body supporting feature "along with said seat panel and said back panel," which, as witness Hammond pointed out, is necessary to support the child's body. Thus, the seat and back must assist in providing the body supporting feature (and they are in the Snack & Play chair). 16(d) does not say, however, that the seat and back panel cannot also assist in forming the frame.

16. Nothing in the specification of the patent indicates that the claims should not be given their ordinary meaning. The specification, as set forth in the Description of the Preferred Embodiments section of the patent, discloses a stable rigid frame consisting of side panels and tubular supports and tie rods. However, "[g]enerally, particular limitations or embodiments appearing in the specification will not be read into the claims." Loctite Corp. v. Ultraseal Ltd., 781 F.2d 861, 867 (Fed.Cir.1985). Evenflo is suggesting reading the preferred embodiments into the claims when it argues that language in the specification describing the preferred embodiment gives a limiting construction to the claim language. "It is entirely proper to use the specification to interpret what the patentee meant by a word or phrase in the claim. But this is not to be confused with adding an extraneous limitation appearing in the specification, which is improper." E.I. Du Pont de Nemours & Co. v. Phillips Petroleum Co., 849 F.2d 1430, 1433 (Fed.Cir.), *cert. denied,* 488 U.S. 986 (1988) (citation omitted). *Accord:* Friction Div. Prods., Inc. v. E.I. Du Pont de Nemours & Co., 693 F.Supp. 114, 125 n. 12 (D.Del.1988), ("This rule protects an inventor who obtains a patent. The invention need not disclose, through examples, every possible embodiment of his inventive concept to protect that concept. 2 *P. Rosenberg, Patent Law Fundamentals,* s. 14.09 n. 70 (2d ed. 1987)."), *aff'd mem.,* 883 F.2d 1027 (Fed.Cir.1989).

17. Further, the patent specification does not impose an extraordinary definition of the term "stable rigid frame." A patentee may be his own lexicographer because " 'the dictionary does not always keep abreast of the inventor.' " Fromson v. Advance Offset Plate Inc., 720 F.2d 1565, 1569 (Fed.Cir.1983) (quoting Autogiro Co. of America v. United States, 384 F.2d 391, 397 (Ct.Cl.1967)). An inventor is therefore permitted to define the terms of the claims in the specification. Lear Siegler, Inc. v. Aeroquip Corp., 733 F.2d 881, 889 (Fed.Cir.1984). However, nothing in the specification in the patent-in-suit indicates an intention to define the term "stable rigid frame" with a meaning different from its "ordinary accustomed meaning," ZMI Corp., 844 F.2d at 1580.

18. Similarly, nothing in the prosecution history (PX 2) indicates that Dolly intended to limit its claims to preferred embodiments of the patent. In fact, as explained by Mr. Strasser, the prosecution history indicates that the stable rigid frame in paragraph 16(d) encompasses more than a frame formed from side panels, tubular supports, and tie rods.

19. "Significant evidence of the scope of a particular claim can be found on review of other claims." Fromson, 720 F.2d at 1570. The doctrine of claim differentiation provides that, if " 'some claims are broad and others narrow, the narrow claim limitations cannot be read into the broad whether to avoid invalidity or to escape infringement.' " Yarway Corp. v. Eur-Control USA, Inc., 775 F.2d 268, 274 (Fed.Cir.1985) (quoting Kalman v. Kimberly-Clark Corp., 713 F.2d 760, 770 (Fed.Cir.1983), *cert. denied,* 465 U.S. 1026 (1984), *overruled on other grounds,* SRI Int'l v. Matsushita Elec. Corp., 775 F.2d 1107 (Fed.Cir.1985)). *Accord:* D.M.I., Inc. v. Deere & Co., 755 F.2d 1570, 1574 (Fed.Cir.1985).

20. Applying the doctrine of claim differentiation, paragraph 1(d) of claim 1 and claim 4 of the patent support the Court's conclusion that the stable rigid frame of paragraph 16(d) is not limited to the preferred embodiment of the patent. Paragraph 1(d) is identical to paragraph 16(d). Claim 4, which is dependent on claim 1, specifically calls for tubular supports and tie rods as part of the stable rigid frame of the patented device. If paragraph 1(d) were read as requiring tubular supports and tie rods, then claim 4 would be

meaningless. Since the identical language is in paragraph 16(d), that language must be interpreted the same as the language of paragraph 1(d) and cannot therefore be limited to use of tubular supports and tie rods to form the stable rigid frame.

21. In addition, the doctrine of claim differentiation prevents the Court from reading into claim 19 the limitations of claim 18, which describe side panels that may slidably receive a back panel. Thus, claim 19 does not require an adjustable, removable back panel, and Evenflo's argument that the infringing Snack & Play chair is significantly different from Dolly's Go 'n' Grow chair (which does have an adjustable back) is without relevance to the interpretation of claim 19.

22. Having addressed construction of the claims, the Court now turns to the issue of infringement. "Infringement is determined solely by comparison of the claims of the patent at issue with the defendant's product." Yarway, 775 F.2d at 274; We Care, Inc. v. Ultra-Mark Int'l Corp., 741 F.Supp. 743, 748 (D.Minn.1989). Infringement is not determined by comparing the patent owner's product, in this case, the Go 'n' Grow chair, to the defendant's product, in this case, the Snack & Play chair.

23. "The addition of features does not avoid infringement, if all of the elements of the patent claims have been adopted." Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 945 (Fed.Cir.1990). *Accord: Uniroyal,* 837 F.2d at 1057 ("Adding features to an accused device will not result in non-infringement if all of the limitations in the claims, or equivalents thereof are present in the accused device.")

24. The determination of literal infringement is simply the process of "reading" the relevant claims upon the accused device to determine whether all of the claimed features, as properly defined, are literally present in the infringing product. If all of the claimed features are found, then literal infringement is established. Smithkline Diagnostics, 859 F.2d at 889.

25. Based upon the Court's construction of the claims and its findings of fact, the Court concludes that the Snack & Play chair literally infringes claim 19 of the Dolly patent. Dolly has thus shown a strong probability of success on the issue of literal infringement.

26. Besides infringing a patent literally, the accused device can infringe the patent under the doctrine of equivalents. "Infringement under the doctrine of equivalents is an equitable doctrine devised for 'situations where there is no literal infringement but [where] liability is nevertheless appropriate to prevent what is in essence a pirating of the patentee's invention.' " Insta-Foam Prods., Inc. v. Universal Foam Sys., Inc., 906 F.2d 698, 702 (Fed.Cir.1990) (quoting Loctite, 781 F.2d at 870). "The doctrine of equivalents serves the critical function of precluding an infringer from making insubstantial changes to avoid the literal claims, and still appropriate the heart of the invention." We Care, 741 F.Supp. at 748 (citation omitted).

27. A product infringes under the doctrine of equivalents if it " 'performs substantially the same function in substantially the same way to obtain the same result.' " Graver Tank & Mfg. Co. v. Linde Air Prod. Co., 339 U.S. 605, 608 (1950) (quoting Sanitary Refrigerator Co. v. Winters, 280 U.S. 30, 42 (1929)). *Accord:* Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1057 (Fed.Cir.), *cert. denied,* 488 U.S. 825 (1988).

28. Based upon Finding of Fact 26, the Court concludes that, even if the Snack & Play did not literally infringe Dolly's patent, it nevertheless would infringe Dolly's patent under the doctrine of equivalents.

C. Reasonable Likelihood of Success on the Merits-Validity

29. A patent is presumed valid. 35 U.S.C. s. 282; Trial Brief of Dolly, p. 28; Trial Brief of Evenflo, p. 9.

30. "[T]he burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity." 35 U.S.C. s. 282. The party asserting invalidity has not only the procedural burden of

proceeding first and establishing a prima facie case of invalidity but the ultimate burden of persuasion as well. Avia Group Int'l, Inc. v. L.A. Gear California, Inc., 853 F.2d 1557, 1562 (Fed.Cir.1988); Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1534 (Fed.Cir.1983).

31. The procedural posture of the present case does not alter the statutory presumption of validity or the statutory burdens of proof on the issue of invalidity. Chrysler Motors Corp., 908 F.2d at 953. A patent owner's burden on the issue of validity in the preliminary injunction context consists not of proving validity, but only of "showing a reasonable likelihood that the attack on its patent's validity would fail." H.H. Robertson Co. v. United Steel Deck, Inc., 820 F.2d 384, 387 (Fed.Cir.1987).

32. The validity of claim 16 or 17 alone is irrelevant to the question of the validity of dependent claim 19, since "dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim." 35 U.S.C. s. 282. *Accord:* Shelcore, Inc. v. Durham Indus., Inc., 745 F.2d 621, 624-25 (Fed.Cir.1984). Therefore, Evenflo's evidence of prior art that may anticipate or render obvious claim 16 standing alone or claims 16 and 17 standing alone is immaterial.

33. A patent claim can be proven invalid because it is anticipated by prior art under 35 U.S.C. s. 102 or because the prior art renders the invention obvious under 35 U.S.C. s. 103.

34. For Evenflo to prevail on its defense of anticipation, "every element of the claimed invention must be identically shown in a single reference." Diversitech, Corp. v. Century Steps, Inc., 850 F.2d 675, 677 (Fed.Cir.1988). Trial Brief of Dolly, p. 31; Trial Brief of Evenflo, p. 12. Furthermore, "[a] patent claim is invalidated for anticipation only if it is proven that *every element* of the claim, *arranged as in the claim,* is *identically shown* by a single prior art reference." We Care, Inc., 741 F.Supp. at 749 (emphasis added) (citing *Diversitech*). Thus, Evenflo must present a single prior art reference that contains every element of claim 19 to prove anticipation.

35. Anticipation is a question of fact. Akzo N.V. v. U.S. Int'l Trade Comm'n, 808 F.2d 1471, 1479 (Fed.Cir.1986), *cert. denied,* 482 U.S. 909 (1987); Kalman, 713 F.2d at 771. The Court has found that there is no single prior art reference which shows every element of claim 19. Finding of Fact 40. Therefore, Dolly has demonstrated a strong likelihood that Evenflo's anticipation defense will fail.

36. The ultimate question on the defense of obviousness is whether "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. s. 103.

37. With respect to the scope of prior art, "[t]he burden on the party asserting invalidity is more difficult to meet" when that party presents prior art that is no more pertinent than the prior art considered by the Patent and Trademark Office's examiner when the patent application was pending. Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc., 796 F.2d 443, 447 (Fed.Cir.1986), *cert. denied,* 484 U.S. 823 (1987). *Accord:* W.L. Gore & Assocs. v. Garlock, Inc., 721 F.2d 1540, 1555 (Fed.Cir.1983), *cert. denied,* 469 U.S. 851 (1984); We Care, 741 F.Supp. at 749.

38. The obviousness determination is an issue of law involving four preliminary factual inquiries: (1) the scope and content of the prior art; (2) the differences between the claims and the prior art; (3) the level of ordinary skill in the pertinent art; and (4) objective indicia of nonobviousness. Uniroyal, 837 F.2d at 1050 (citing Graham v. John Deere Co., 383 U.S. 1, 17-18 (1966)); Panduit Corp. v. Dennison Mfg. Co., 810 F.2d 1561, 1566 (Fed.Cir.), *cert. denied,* 481 U.S. 1052 (1987).

39. This Court cannot make a finding of obviousness based upon the accused infringer's evidence without also considering the patent owner's objective evidence. Demaco Corp. v. F. Von Langsdorff Licensing Ltd.,

851 F.2d 1387, 1391 (Fed.Cir.), *cert. denied,* 488 U.S. 956 (1988); Panduit, 810 F.2d at 1570; W.L. Gore, 721 F.2d at 1555. Objective indicia of nonobviousness include commercial success and long-felt but unsolved need. Uniroyal, 837 F.2d at 1053. *Accord:* Graham, 383 U.S. at 17-18. Copying is also objective evidence of nonobviousness. Avia Group, 853 F.2d at 1564; Panduit, 810 F.2d at 1569. Other such indicia include "[p]raise for the invention, including awards accorded to the inventors for their invention," Corning Glass Works v. Sumitomo Elec. U.S.A., Inc., 671 F.Supp. 1369, 1398 (S.D.N.Y.1987), *aff'd,* 868 F.2d 1251 (Fed.Cir.1989); Polysius Corp. v. Fuller Co., 709 F.Supp. 560, 573 (E.D.Pa.), *aff'd mem.,* 889 F.2d 1100 (Fed.Cir.1989), and recognition by the accused infringer that the invention "advanced the state of the art." *Libbey-Owens-Ford Co. v. BOC Group,* 665 F.Supp. 897, 914 (D.N.J.1987).

40. Objective evidence of non-obviousness is entitled to "great weight," Rosemount, Inc. v. Beckman Instruments, Inc., 727 F.2d 1540, 1546 (Fed.Cir.1984), since it serves to "guard against [the Court] slipping into use of hindsight" (citations omitted). Graham, 383 U.S. at 36. *Rosemount's* list of objective indicia of nonobviousness included commercial success (shown by testimony of witness Sullivan), filling a long-felt need (shown by PX 32 and by testimony of witnesses Sullivan, Marcus, Meeker, Glover, Seymour and Witwer), copying (shown by testimony of witness Meeker and by PX 32), praise of the invention (shown by testimony of witnesses Sullivan, Meeker, Glover, Seymour, and Witwer, and by PX 17, 18, and 32), and recognition in the industry (PX 17). *Id.* The evidence here shows all of those indicia, and Mr. Strasser convincingly explained the existence, role, and weight they should play in the nonobviousness determination. In contrast, Mr. Weigl offered no testimony on the subject. Evenflo's Mr. Seymour conceded that the Dolly chair was a new product category, itself an indication of nonobviousness.

41. The relative simplicity of a device does not render the claimed invention obvious. Demaco, 851 F.2d at 1390-91; Panduit, 810 F.2d at 1572.

42. Evenflo's evidence of obviousness consisted of the testimony of Evenflo's patent expert, Mr. Weigl, who simply opined that all of the claimed elements are old in the art. However, "[v]irtually all inventions are necessarily combinations of old elements. The notion, therefore that combination claims can be declared invalid merely upon finding similar elements in separate prior patents would necessarily destroy virtually all patents and cannot be the law under the statute, s. 103." Panduit, 810 F.2d at 1575 (footnotes omitted). Thus, an accused infringer "cannot pick and choose among the individual elements of assorted prior art references to recreate the claimed invention." Smithkline Diagnostics, 859 F.2d at 887. *Accord:* Northern Telecom, 908 F.2d at 934; W.L. Gore, 721 F.2d at 1552.

43. Mr. Weigl's description of elements in various references cannot discharge Evenflo's burden of showing obviousness, especially since Mr. Weigl's selection of elements from various prior art references is not based upon any teaching in the prior art. "It is insufficient that the prior art disclosed the components of the patented device either separately or used in other combinations; there must be some teaching, suggestion, or incentive to make the combination made by the inventor." Northern Telecom, 908 F.2d at 934. *Accord:* Panduit, 810 F.2d at 1568 ("elements of separate prior patents cannot be combined when there is no suggestion of such combination anywhere in those patents, and a court should avoid hindsight") (citations omitted).

44. In addition, "a prior patent must be considered in its entirety, i.e., as a *whole,* including portions that would lead away from the invention in suit." Panduit, 810 F.2d at 1568 (emphasis in original). *Accord* : Id. at 1574 (error to focus "on isolated minutiae in a prior art patent while disregarding its scope, i.e., its entire disclosure, and how its disclosed structure works").

45. The Court has examined the prior art cited by Evenflo and found that there are significant differences between that prior art and claim 19 of the patent. Furthermore, the Court has found, based in part on the credibility of Mr. Strasser's testimony, that Evenflo's prior art is no more pertinent than the art considered by the Patent Examiner in issuing the patent.

46. The Court has further found that Evenflo has presented no credible evidence that in view of the prior art of the patented invention would have been obvious to a person of ordinary skill in the art. On the other hand, the great weight of credible evidence presented by Dolly of objective indicia on nonobviousness, including evidence of commercial success, an industry award for innovation, perception of a need by Evenflo's designer and an inability to solve that need, praise for the invention by Evenflo employees, intentional copying of both idea and embodiment, and a hurried effort by Evenflo to compete with the Go 'n' Grow chair in what Evenflo admitted was a new product category, demonstrates that claim 19 of the Dolly patent is not invalid for obviousness.

47. Based on the Court's conclusions that claim 19 of the patent is neither anticipated nor obvious, Dolly has met its burden of demonstrating a reasonable likelihood that Evenflo will be unable to prove the patent is invalid, and because of the lack of credible evidence to outweigh Dolly's evidence on the issues of anticipation and obviousness, Dolly has further shown a strong likelihood of success on the issue of validity of the patent.

D. Irreparable Harm

48. A clear or strong showing on the merits, such as Dolly has made here, entitles Dolly to a presumption of irreparable harm. Chrysler Motors Corp., 908 F.2d at 954; Hybritech, 849 F.2d at 1451; Roper, 757 F.2d at 1271-72.

49. The presumption of irreparable harm derives from the significance accorded to a patent owner's right to exclusive control of his patent. Smith Int'l, Inc. v. Hughes Tool Co., 718 F.2d 1573, 1577-78 (Fed.Cir.), *cert. denied,* 464 U.S. 996 (1983). "[T]he principal value of a patent is its statutory right to exclude." H.H. Robertson, 820 F.2d at 390. "The encouragement of investment-based risk is the fundamental purpose of the patent grant, and is based directly on the right to exclude." Patlex Corp. v. Mossinghoff, 758 F.2d 594, 599 (Fed.Cir.), *modified on other grounds,* 771 F.2d 480 (Fed.Cir.1985). Thus, an alleged infringer's ability to compensate the patent owner does not end the Court's irreparable harm inquiry. Pretty Punch Shoppettes, Inc. v. Hauk, 844 F.2d 782, 784-85 (Fed.Cir.1988); Roper, 757 F.2d at 1269 n. 2. A court must also consider "the legal interests of the parties *against future infringement* which may have market effects never fully compensable in money." Atlas Powder Co. v. Ireco Chemicals, 773 F.2d 1230, 1233 (Fed.Cir.1985) (emphasis in original). For example, lost market share is a non-compensable injury. Standard Havens Prods., Inc. v. Gencor Indus., Inc., 897 F.2d 511, 515 (Fed.Cir.1990); Lubrizol Corp. v. Exxon Corp., 696 F.Supp. 302, 323 (N.D.Ohio 1988); Spalding & Evenflo Cos. v. Acushnet Co., 2 U.S.P.Q.2d (BNA) 1070, 1071 (D.Mass.1986).

50. Based on the strength of Dolly's showing on the infringement and validity issues, the Court concludes that Dolly is entitled to a presumption of irreparable harm. The Court further concludes that Dolly has demonstrated, independent of this presumption, that the market effects of Evenflo's actions will irreparably harm Dolly if an injunction is not issued.

51. "[A]n injunction against infringement may be absolutely essential at the beginning of the term of the patent, *e.g.,* to enable a patent owner to establish a new business." Woodard v. Sage Prods., Inc., 818 F.2d 841, 854 (Fed.Cir.1987). Courts have also noted the value of a patent "in establishing a market position and in creating good business relationships." Moore Business Forms, Inc. v. Wallace Computer Servs., 14 U.S.P.Q.2d (BNA) 1849, 1860 (N.D.Ind.1989). *Accord:* Hybritech, Inc. v. Abbott Laboratories, 4 U.S.P.Q.2d (BNA) 1001, 1014 (C.D.Cal.1987) (patent would help patent owner "establish a market position, create business relationships, and thereby gain a foothold in the market"), *aff'd,* 849 F.2d 1446 (Fed.Cir.1988). The patent-in-suit is at the beginning of its term and the Court concludes that there is ample proof in the record to support Dolly's argument that this patent is valuable in creating and strengthening customer relationships and in establishing a market position.

52. Irreparable harm can result not only from loss of sales of the patented product but also from a loss of the ability to build goodwill and to sell non-patented items in the relevant market. Pittway, 667 F.Supp. at 592; Spalding & Evenflo, 2 U.S.P.Q.2d at 1071. Mr. Sullivan's testimony establishes exactly such harm.

53. It is undisputed in the record that Evenflo has a large presence in the juvenile furniture market. Courts have recognized the accused infringer's "large presence" in a market as a factor in the irreparable harm determination. Moore Business Forms, 14 U.S.P.Q.2d at 1859; Hybritech, 4 U.S.P.Q.2d at 1014; Pittway, 667 F.Supp. at 592.

54. Based upon the Court's findings on these issues, the Court concludes that Dolly has established that it will be irreparably harmed if the continued marketing, sale, use, and manufacturer of the Snack & Play are not enjoined.

E. Balance of Hardships and Public Interest

55. Evenflo failed to persuade the Court that it will be unduly harmed if it is forced to stop selling the Snack & Play chair and Evenflo's admitted leading position in the juvenile furniture market makes such harm unlikely. Furthermore, any harm Evenflo might suffer could have been avoided if it had not copied the Go 'n' Grow chair or had sought an opinion of counsel once the Dolly patent was discovered. In that sense, any harm Evenflo suffers from a preliminary injunction is "self-inflicted." Pittway, 667 F.Supp. at 592.

56. Even where a court finds that the parties face relatively equal hardships, the court may grant injunctive relief on the basis of the other three factors in the Federal Circuit test. Hybritech, 849 F.2d at 1457-58. The Court, however, need not rely on that principle here because the Court concludes that the harm to Dolly if an injunction is not issued far outweighs any potential harm to Evenflo.

57. "Public policy clearly favors protection of rights secured by valid patents." Lubrizol, 696 F.Supp. at 323. Trial Brief of Dolly, p. 44; Trial Brief of Evenflo, p. 34. Since there is a valid patent here, public policy favors the grant of relief to Dolly.

58. In order to outweigh the public interest in protecting patent rights, Evenflo must present "some critical public interest that would be injured by the grant of preliminary relief." Hybritech, 849 F.2d at 1458 (footnote omitted). No such evidence was offered at the hearing.

59. Therefore, the Court concludes that the equitable factors of "balance of hardships" and "public interest" weigh in Dolly's favor.

CONCLUSION

Based upon the foregoing findings of fact and conclusions of law, Dolly's Motion for Preliminary Injunction is GRANTED. The parties shall settle on a form of preliminary injunction forthwith. In the absence of agreement on form, Dolly shall present a form of preliminary injunction to the Court.

S.D.Ohio,1991.
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