United States District Court,
E.D. Pennsylvania.

BRAINY IDEAS, INC., et al,
Plaintiffs.
v.
MEDIA GROUP, et al,
Defendants.

Aug. 28, 2001.

Martin J. Black, Selena Fitanides, Dechert, Price & Rhoads, Jeffrey S. Edwards, Phila, PA, Thomas E. Graham, Richard T. Peterson, Kenneth A. Godlewski, John W. Ball, Jr., Kilpatrick Stockton LLP, Washington, DC, James R. Myers, Kilpatrick Stockton LLP, Reston, VA, for Brainy Ideas, Inc., Plaintiff.

Martin J. Black, Selena Fitanides, Jeffrey S. Edwards, Thomas E. Graham, Richard T. Peterson, Kenneth A. Godlewski, John W. Ball, Jr., James R. Myers, (See above), for Tristar Products, Inc., Plaintiff.

Michael T. Scott, Robert A. Kauffman, Reed, Smith, Shaw & McClay, Phila, PA, Stephen J. Springer, Gavin P. Lentz, Bochetto & Lentz, P.C., Philadelphia, PA, James R. Cartiglia, St. Onge Steward Johnston & Reens, Stamford, CT, Stephen J. Springer, Bochetto & Lentz, PC, Phila, PA, Eliot R. Clauss, Clauss & Sabatini, New York, NY, Daniel F. Coughlin, St. Onge Steward Johnston & Reens LLC, Stamford, CT, for Media Group, Defendant.

Michael T. Scott, Robert A. Kauffman, Stephen J. Springer, Gavin P. Lentz, James R. Cartiglia, Stephen J. Springer, Eliot R. Clauss, Daniel F. Coughlin, (See above), for Sonny Howard, Defendant.

Susan K. Herschel, Jan Fink Call, Hoyle, Morris & Kerr, Phila, PA, Stephen D. Chakwin, Jr., Clauss & Chakwin, New York, NY, Stephen J. Springer, Eliot R. Clauss, Daniel F. Coughlin,(See above), for Tele-Spot Products, Defendant.

Susan K. Herschel, Jan Fink Call, Stephen D. Chakwin, Jr., Stephen J. Springer, Eliot R. Clauss, Daniel F. Coughlin, (See above), for Jeff Kurani, Defendant.

Jan Fink Call, Hoyle, Morris & Kerr, Phila, PA, Stephen J. Springer, Bochetto & Lentz, PC, Phila, PA, Eliot R. Clauss, Clauss & Sabatini, New York, NY, for Rantech Corp., Defendant.

MEMORANDUM AND ORDER

ROBRENO**, J.**

AND NOW, this 28th day of August, 2001, it is hereby ORDERED that Plaintiffs' Motion for Summary Judgment (doc. no. 132) is GRANTED in part and DENIED in part. The court's order is based on the

following reasoning:

This case involves a patent dispute between two manufacturers of clothes hanging devices. Each device has two arms with multiple holes drilled into them in which conventional hangers can be slotted. The arms of each device are attached to the bottom of a centrally-located rod, and may be moved so that can be locked in an upright position, resting against the rod. On plaintiffs' device, the arms are locked by means of two latches located near the top of the central rod. Defendants' device features a gear driven mechanism located near the bottom of the central rod that, like plaintiffs' latching system, also can lock the arms in a position parallel to the central rod. *See* Pls.' Mot. for Summ. J. at 3, Fig. 2.

Pursuant to Markman v. Westview, Inc., 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996), the court held a " *Markman* hearing" to determine the meaning of the term "securing mechanism" as used in the claims of U.S. Patent No. 5,901,888 (issued May 11, 1999) (the " '888 patent"). In a memorandum and order issued following the hearing, the court concluded that the term "securing mechanism" means "conventional mechanical locking device." Doc. no. 124. Before the court is plaintiffs' motion for summary judgment on their claim for patent infringement and defendants' counterclaims for patent invalidity and interference with existing contractual relations.

The question presented by plaintiffs' motion with respect to their claim for patent infringement is if a genuine issue of material fact exists as to whether the gear-driven mechanism featured on defendants' device is a "conventional mechanical locking system" within the meaning of the '888 patent. Plaintiffs relies on the opinion of their expert, Dr. Thomas Haas, who contends that defendants' gear-driven mechanism is a conventional mechanical locking device. *See* Pls.' Mot. Summ. J. Ex. E at 24.

Defendants expert, Alan Keyack, does not agree with Dr. Haas's opinion, stating that defendants' gear driven mechanism "is a complicated assembly to design and manufacture in plastic and in high volume, requiring high precision, sophisticated design, multiple parts and multiple assembly steps, *as contrasted with a 'conventional locking mechanism*." ' Defs.' Mem. in Opposition to Mot. Summ. J. Ex. 1 at 6 (emphasis added). Keyack further opines that "one of skill in *any* mechanical art would not understand or refer to a locking gear train as a 'conventional locking device." ' Id. at 12 (emphasis in original). Keyack's contention is supported at least to some extent by U.S. Patent No. 4,237,710 (issued Dec. 9, 1980), which contrasts a bolt with gear wheel locking device to a "completely conventional locking device." *See* id. at Col. 1, lines 51-61. The court thus finds that the evidence relied upon by defendants is sufficient to create a genuine issue of material fact as to whether the gear-driven mechanism featured on defendants' device is a "conventional mechanical locking system" within the meaning of the '888 patent. FN1

FN1. Plaintiffs did not seek summary judgment on their claim that defendants' device infringes on the '888 patent under the doctrine of equivalents.

Plaintiffs also contend that they are entitled to summary judgment based on Dr. Haas's opinion that defendants' gear driven mechanism is a "latch" within the meaning of claim 21 of plaintiffs' patent, which states that "each securing mechanism comprises a latch." U.S. Patent No. 5,901,888 (issued May 11, 1999) Col. 9, lines 50-58. Plaintiffs' argument ignores the fact that the court has already determined that the term "securing mechanism," as used in the claims of the '888 patent, means "conventional mechanical locking device." If defendants' gear driven device is not a conventional mechanical locking device, then the mere fact that it contains a latch does not mean that the device infringes on claim 21. Therefore, although

defendants do not point to any evidence that would create a genuine issue of material fact as to whether Dr. Haas's opinion is correct, his uncontested opinion does not entitle plaintiffs to judgment of as a matter of law. *See* Fed.R.Civ.P. 56(c). Accordingly, plaintiffs' motion for summary judgment on their claim for patent infringement is denied.

As to plaintiffs' motion for summary judgment with respect to defendants' counterclaim for patent invalidity, defendants contend that plaintiffs are not entitled to summary judgment because the '888 patent fails to disclose to one of ordinary skill in the art how to make the gear driven mechanism featured on defendants' clothes hanging device. "A patent applicant is not required ... to predict every possible variation, improvement, or commercial embodiment of his invention." Phillips Petroleum Co. v. U.S. Steel Corp., 673 F.Supp. 1278, 1292 (D.Del.1987), aff'd, 865 F.2d 1247 (Fed.Cir.1989) (citing SRT Int'l v. Matsushita Elec. Corp., 775 F.2d 1107, 1121 (Fed.Cir.1985)). Therefore, it does not follow from defendants' argument that the '888 patent does not disclose how to make defendants' gear driven mechanism that the '888 patent is thus invalid. Defendants' argument seems to ignore the possibility that its device is noninfringing, but that plaintiffs' patent is indeed valid. Given that defendants' argument speaks to their own device's non-infringement, rather than the '888 patent's invalidity, and the requirement that a patent's presumed validity can only be overcome by clear and convincing evidence, *see* Smith Indus. Medical Svs., Inc., v. Vital Signs Inc., 183 F.3d 1347, 1356 (Fed.Cir.1999), the court finds that defendants have not proffered sufficient evidence by which a reasonable jury could find by clear and convincing evidence that plaintiffs' patent is invalid. Accordingly, plaintiffs are entitled to summary judgment on defendants' patent invalidity counterclaim. *See* Schoonejongen v. Curtiss-Wright Corp., 143 F.3d 120, 130 (3d Cir.1998).

Finally, plaintiffs seek summary judgment on defendants' counterclaim for intentional interference with existing contractual relations. The counterclaim is based on a written notice that plaintiffs sent to some of defendants customers. The notice stated that plaintiffs had received a "notice of allowance" from the Patent Office, and that plaintiffs were "confident that a patent with claims covering [plaintiffs' clothes-hanging device] w[ould] soon be issued by the United States Patent Office." Sonny Howard Aff. Ex. A (doc. no. 134).

Under Pennsylvania law, in order to recover for the tort of intentional interference with existing contractual relations, a party must show the absence of a privilege or justification for the allegedly interfering action. *See* Kachmar v. Sungard Data Sys., Inc., 109 F.3d 173, 184 (3d Cir.1997) (citing Thompson Coal Co. v. Pike Coal Co., 488 Pa. 198, 208, 412 A.2d 466, 471 (1979)). Even though the claim at issue is based on state law, federal patent law applies to the court's consideration of this question because "whether [plaintiffs' notice] was legally justified raises considerations of federal law governing the giving of notice of patent rights," Mikohn Gaming Corp. v. Acres Gaming, Inc., 165 F.3d 891, 896 (Fed.Cir.1998).

Under federal patent law, a showing of bad faith is required in order to recover for issuing an improper notice. *See* id. at 897. (stating that bad faith is "a necessary element of improper notice under federal patent law"). Defendants do not point to any evidence of bad faith on the part of plaintiffs in issuing the notice to defendants' customers, nor do they cite any case holding that such a notice is even improper, let alone suggestive of bad faith, where the sender has been issued a notice of allowance by the Patent Office but has not yet been issued the patent itself. *Cf.* Mikohn Gaming, 165 F.3d at 897 (discussing "the communication of information about ... the pendency of patent rights," and thus suggesting that a factually correct communication about the pendency of patent rights is not in itself improper). Furthermore, even if the notice was in fact improper, its impropriety is insufficient by itself to make a threshold showing of bad faith. *See id.* ("In general, a threshold showing of incorrectness or falsity, or disregard for either, is required in order

to find bad faith...."). Accordingly, the court finds that no genuine issue of material fact exists as to whether plaintiffs acted in bad faith by sending the notice to defendants' customers, and that plaintiffs are entitled to summary judgment on defendants' counterclaim for intentional interference with existing contractual relations.

For the reasons stated above, plaintiffs' motion for summary judgment is granted in part and denied in part.

AND IT IS SO ORDERED.

E.D.Pa.,2001.
Brainy Ideas, Inc. v. Media Group

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