

Chem-Tainer Industries Inc. v. Wilkin, Not Reported in F.Supp. (1997)

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KeyCite Yellow Flag - Negative Treatment

Review Reinstated by Chem-Tainer Industries, Inc. v. Wilkin, Fed.Cir., October 26, 2000

1997 WL 715014

United States District Court, C.D. California.

CHEM-TAINER INDUSTRIES, INC., a New York corporation, Plaintiff,

v.

Larry E. WILKIN, an individual, NPT Engineering, Inc., a California corporation, dba Kodiak Marine Products, and does 1-10, Defendants.

No. CV 97-0829LGB(EX).

|

Feb. 24, 1997.

ORDER GRANTING IN PART PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

BAIRD, District J.

I. INTRODUCTION

*1 Plaintiff Chem-Tainer Industries, Inc.'s Motion for Preliminary Injunction came on regularly for hearing on February 21, 1997. Having reviewed all pertinent papers on file and considered the oral argument of counsel and for the reasons set forth below, the Court hereby GRANTS the request for a preliminary injunction, but only to the extent of issuing a preliminary injunction that narrows the injunctive relief that has already been granted temporarily, as set out below.

II. PROCEDURAL HISTORY

On February 7, 1997, Chem-Tainer applied for a temporary restraining order ("TRO") and order to show cause regarding a preliminary injunction and filed its Complaint. The named defendants are Larry Wilkin ("Wilkin") and NPT Engineering, Inc. ("NPT"), d/b/a Kodiak Marine Products ("Kodiak") (collectively "Defendants").

In the Complaint, Chem-Tainer alleges causes of action for:

- (1) patent infringement;
- (2) unfair competition, under 15 U.S.C. § 1115(a);
- (3) trade dress infringement, under 15 U.S.C. § 1115(a);
- (4) interference with contract or other economic relation; and
- (5) unfair competition and false advertising under California law.

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In brief, Chem-Tainer claims that Defendants have been selling bait tanks and pump brackets that infringe its patents in bait tanks and pump brackets and that infringe its trade dress rights in the a pump mounting bracket.

In the TRO application, Chem-Tainer sought to enjoin Defendants from: (1) infringing three patents held by Chem-Tainer; (2) infringing Chem-Tainer's trade dress rights in a mounting bracket; and (3) from interfering with the contractual relations between Chem-Tainer and its distributors and wholesalers and other purchasers. Chem-Tainer also requested expedited discovery.

Later on February 7, 1997, a hearing was held at which only Chem-Tainer's counsel were present. The Court declined to rule on the TRO application. Instead, the Court set a hearing for February 13, 1997, and ordered Chem-Tainer's counsel to serve the papers on Defendant that same day (February 7, 1997) and to inform Defendant of the hearing and that any opposition was due on February 11, 1997.

On February 13, 1997, the TRO hearing was held. Defendants had not filed an opposition. Defendants appeared through counsel M. Jonathan Hayes. The Court issued a TRO enjoining *both* sides from, in essence contacting the other's customers regarding the other's products. In all other respects, the Court denied Chem-Tainer's TRO application. The Court also set the instant hearing on the preliminary injunction.

On February 18, 1997, Defendants, through new counsel, applied ex parte to continue the hearing on the preliminary injunction. Defendants also filed their opposition to the Chem-Tainer's preliminary injunction request. Chem-Tainer filed its opposition to Defendants' application for a continuance on February 19, 1997. Also on February 19, 1997, the Court denied Defendants' request for a continuance.

*2 Chem-Tainer filed its reply on February 20, 1997. In its proposed preliminary injunction, Chem-Tainer requested an Order enjoining Defendants from:

- (a) Selling, offering to sell, advertising, promoting, marketing, or filling orders for products currently marketed under Kodiak part numbers KB360, KB500, KB700, and KB1100 which include infringing brackets or other Kodiak products which are substantially similar and Kodiak Pro Flow Bait Tanks.
- (b) Disposing of any inventory of any of the products referred to [above].
- (c) Contacting or communicating in any manner with distributors [or] suppliers of Chem-Tainer's products in regards to the sale or handling of Chem-Tainer's products by the distributors or suppliers.
- (d) Contacting or communicate [sic] in any manner with Mr. Del Andrews or any of the employees of Aqua-World of San Clemente, California.

(Pl's Proposed Preliminary Injunction at 2.)

III. FACTUAL BACKGROUND

Chem-Tainer alleges the following facts.

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On December 19, 1989, Del Andrews, (“Andrews”) received a patent for a tank designed to keep live bait fish alive.¹ On February 18, 1992, Andrews received another patent for a similar device.² (These two patents will be referred to as the “Andrews tank patents.”)

Defendant Larry Wilkin is the president of Kodiak, a division of NPT. On March 10, 1994, Wilkin wrote a letter to Andrews accusing Andrews of copying Wilkin's own bait tank design and stating that Wilkin would ruin Andrews financially with court actions. (Andrews Decl. ¶ 11.) On March 11, 1994, Wilkin entered Andrews' offices and shouted obscenities at Andrews, but admitted that he had copied some of Andrews' designs. (Andrews Decl. ¶ 10.)

On October 18, 1994, Andrews received a patent for a releasable mounting bracket for a pump (the “Andrews pump bracket patent”).³ Andrews is the founder of Aqua–World, Inc., through which Andrews manufactured and sold his patented products. The Andrews pump bracket is sold as the “E–Z RELEASE MOUNTING BRACKET.”

By letter dated November 3, 1994, Andrews, through counsel, accused Defendants of producing a pump bracket that infringed the Andrews pump bracket patent. (Pl.'s Reply Ex. 17.)

By letter dated January 11, 1995, Wilkin accused Andrews of having obtained patents on well-known and widely used devices by not disclosing prior art to the United States Patent and Trademark Office (“PTO”).

On April 18, 1995, Wilkin received a patent for a fish bait tank (“the Wilkin patent”).⁴ Chem–Tainer alleges that Wilkin was aware of the Andrews tank patents but failed to disclose them to the PTO.

In September 1996, Wilkin began sending letters to some of Aqua–World's customers alleging that Aqua–World's bait tanks infringed the Wilkin patent, accusing the letter addressees of contributory infringement, and demanding that they stop purchasing Aqua–World's tanks or face legal action. (Andrews Decl. ¶ 8; Compl. ¶ 49, at 10, & Ex. 4 (letter from Wilkin to Boats U.S.)) At least one customer canceled orders with Aqua–World after receiving a letter from Wilkin. (Compl. ¶¶ 49–50, at 10.) In addition, otherwise willing customers have become wary as a result of Defendants' actions. (Glen Supplemental Decl.)⁵

*3 Andrews learned of the letters the same month. (Andrews Decl. ¶ 8.) He then contacted the attorneys now serving as counsel for Chem–Tainer, in order to obtain an opinion as to the validity of Andrews' patents in light of Wilkin's claims. (*Id.* ¶ 12.) However, Andrews could not afford to have the attorneys prepare a full opinion. (*Id.* ¶ 13). Nevertheless, the attorneys' review allegedly revealed that Wilkin might, in fact, be the one infringing. (*Id.*) Andrews took immediate steps to notify customers. (*Id.* ¶ 14.)

On December 1, 1996, Chem–Tainer acquired Aqua–World and all rights to the Andrews' patents. (Glen Decl. ¶ 11.) Chem–Tainer was aware at the time of acquisition of some “unreasonable” acts by Defendants that appeared to infringe Andrews' patents and trade dress rights in the Andrews pump bracket. (Glen Decl. ¶ 12.)

Chem–Tainer then retained the same counsel that had previously given a preliminary opinion for Andrews. By December 22, 1996, Chem–Tainer had obtained the prosecution histories of the relevant patents. Counsel for Chem–Tainer then reviewed the documents, and Chem–Tainer decided to proceed with the TRO application.

IV. DISCUSSION

A. Standard for Issuance of a TRO

The basis for any injunctive relief in the federal courts is irreparable injury and the inadequacy of legal remedies. *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 312, 102 S.Ct. 1798, 72 L.Ed.2d 91 (1982). “The basic function of a preliminary injunction is to preserve the *status quo* pending a determination of the action on the merits.” *Chalk v. United States District Court*, 840 F.2d 701, 704 (9th Cir.1988) (citing *Los Angeles Memorial Coliseum Comm'n v. National Football League*, 634 F.2d 1197, 1200 (9th Cir.1980)).

Federal Circuit precedent, as opposed to that of the regional circuit, governs the issuance of a preliminary injunction under 35 U.S.C. § 283. *Hybritech Inc. v. Abbott Laboratories*, 849 F.2d 1446, 1451 n. 12 (Fed.Cir.1988). A party seeking injunctive relief “must establish its right thereto in light of four factors: (1) reasonable likelihood of success on the merits; (2) irreparable harm; (3) the balance of hardships tipping in its favor; and (4) the impact of the injunction on the public interest.” *Id.* at 1451.

B. APPLICATION

1. Likelihood of Success on the Merits

a. Likelihood of Success on the Merits of the Patent Infringement Claims

i. Patent Validity

(A) Standard

Under 35 U.S.C. § 283, the movant for preliminary injunctive relief must show proof of the validity of the patent. *Sofamor Danek Group, Inc. v. DePuy-Motech, Inc.*, 74 F.3d 1216, 1219 (Fed.Cir.1996). However, a patent is presumed to be valid. 35 U.S.C. § 282. Unless the alleged infringer undertakes to challenge the validity of the patent with evidence, the patentee need do nothing to establish its rights under the patent. *New England Braiding Co. v. A.W. Chesterton Co.*, 970 F.2d 878, 883 (Fed.Cir.1992). One challenging a patent must show that each asserted claim is invalid by clear and convincing evidence. *Jones v. Hardy*, 727 F.2d 1524, 1528 (Fed.Cir.1984).

*4 Where an injunction is sought at a preliminary stage, the trial court does not resolve the validity question, but rather must make an assessment of the persuasiveness of the challenger's evidence, recognizing that it is doing so without all of the evidence that may come out at trial. *New England Braiding*, 970 F.2d at 882–83.

(B) Application

Chem-Tainer holds two bait tank patents and a pump bracket patent. Defendant does not appear to challenge the validity of the two Andrews tank patents. Those patents are entitled to a presumption of validity. Chem-Tainer has thus established a reasonable likelihood of succeeding in establishing the validity of the Andrews tank patents.

Defendants do, however, challenge the validity of the Andrews pump bracket patent. Defendants allege, and provide testimonial evidence, that transom mounts with a slidable mounting feature developed by defendant Larry Wilkin were shown to Andrews before Andrews obtained his pump bracket patent. (Def.'s Opp. Preliminary Injunction (“Def.'s Opp.”) at 8–11; Diane Wilkin Decl. ¶ 6.) Defendants allege that the Andrews pump bracket patent contains the device Larry Wilkin created, and that Larry Wilkin is thus a co-inventor of the subject matter of the Andrews pump bracket

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patent. (Def.'s Opp. at 8; Diane Wilkin Decl. ¶ 7.) Defendants' evidence also indicates that, when the Andrews pump bracket patent issued, Defendants had been selling the device covered by that patent for approximately one year. (Diane Wilkin Decl. ¶ 7.)

“Applicants for patents are required to conduct themselves with candor in their dealings with the PTO.” *LaBounty Mfg., Inc. v. U.S. Int'l Trade Comm'n*, 958 F.2d 1066, 1070 (Fed.Cir.1992). The elements of inequitable conduct are materiality of withheld information and culpable intent. *Id.* Defendants contend that the Andrews pump bracket patent is invalid because Andrews deliberately and deceptively did not disclose Larry Wilkin's role in the development of the invention to the PTO. (Def.'s Mem. at 9–10.)⁶ Andrews, Defendants argue, thus committed a kind of fraud upon the PTO. As indicated above, Defendants have submitted at least some evidence in support of this claim.

Accordingly, with respect to the Andrews pump bracket patent, the burden shifts to Chem–Tainer to show a reasonable likelihood of establishing validity. However, Chem–Tainer has failed to make such a showing. Chem–Tainer does point to a second declaration from Andrews in which he states that he began working on his pump bracket in 1992, and that Larry Wilkin had no involvement in the design of the pump bracket for which Andrews received his patent. (Andrews Suppl. Decl. ¶¶ 6, 11.) However, Andrews also states that he had contact with Larry Wilkin regarding the design of pump brackets, and that Wilkin did show Andrews a design; Andrews simply claims that he did not use Wilkin's design in developing his own pump bracket. (*Id.* ¶¶ 4–6, 11.) There is thus conflicting evidence. Defendants' claims regarding the invalidity of the Andrews pump bracket patent and the role of Larry Wilkin as an alleged co-inventor may ultimately not be borne out. However, at this point, Chem–Tainer has failed to show that it is reasonably likely to succeed in establishing the validity of the Andrews pump bracket patent.⁷

ii. Patent Infringement

(A) Standards

*5 The party seeking an injunction in a patent case must show a reasonable likelihood that it will succeed in carrying its burden at trial of proving infringement as well as patent validity. *Sofamor Danek*, 74 F.3d at 1219.

The movant for a preliminary injunction has the burden of showing that the alleged infringer's defenses lack substantial merit, in order to demonstrate a reasonable likelihood of success on the merits. *New England Braiding*, 970 F.2d at 883. At the preliminary stage, the court does not resolve the validity question, but rather assesses the persuasiveness of the challenger's evidence, recognizing that it is doing so without all the evidence that may come out at trial. *Id.* The ultimate question is whether the challenger's evidence of invalidity is sufficiently persuasive that it is likely to overcome the presumption of patent validity. *PPG Indus., Inc. v. Guardian Indus. Corp.*, 75 F.3d 1558, 1566 (Fed.Cir.1996).

(B) Application

(1) Literal Infringement

Literal infringement requires that the accused device embody every element of the patent claim. *Mannesmann Demag Corp. v. Engineered Metal Prods. Co.*, 793 F.2d 1279, 1282 (Fed.Cir.1986). Analysis of patent infringement involves two inquiries: (1) determination of the scope of the claims, if there is a dispute as to claim interpretation or construction; followed by (2) determination of whether properly interpreted claims encompass the accused structure. *Id.* In resolving a dispute as to the interpretation of a claim, the court may refer to the specifications, the prosecution history, and the other claims in the patent. *Id.*

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Chem-Tainer's moving papers provide no discussion of claim interpretation or encompassing of the accused structures with regard to its three patents and Defendants' products.⁸ Defendants' Opposition, however, does. Therein, Defendants undermine Chem-Tainer's effort to show likelihood of success in demonstrating infringement.⁹ In any event, in its Reply, Chem-Tainer admits that Defendants' bait tanks do not literally infringe the Andrews tank patents. (Pl.'s Reply at 1.)

With regard to the Andrews pump bracket patent, Defendants do not appear to dispute that Defendants produce devices covered by that patent. Instead, as indicated above, Defendants rely on their argument that the patent either belongs in equal part to Larry Wilkin or is invalid. Defendants maintain that Larry Wilkin, as a co-inventor who has not assigned his interest, cannot be sued for infringement. *Cf. Eickmeyer v. United States*, 231 U.S.P.Q. 820, 821–22 (Cl.Ct.1986) (“[A]ll co-owners must join in a patent infringement suit ... [;] one co-owner cannot sue independently for infringement or compel others to join in such a suit”). Not surprisingly, defendant Larry Wilkin has not joined in Chem-Tainer's suit. If, on the other hand, the patent is invalid due to Andrews' failure to disclose Larry Wilkin as a co-inventor, than Defendants cannot be infringing that patent.

*6 In short, Chem-Tainer has failed to demonstrate that it is likely to succeed in establishing that Defendants have literally infringed any of Chem-Tainer's patents.

(2) Doctrine of Equivalents

In its initial moving papers, Chem-Tainer does not address the issue of infringement based on the doctrine of equivalents beyond reciting the legal rule that this form of infringement can satisfy the requirement of a showing of likelihood of success regarding infringement. In its Reply, despite having abandoned its claim for literal infringement with regard to the Andrews tank patents, Chem-Tainer again declines to describe how application of the doctrine of equivalents in this case shows that Defendants' products infringe the Andrews tank patents. (Pl.'s Reply at 2.) Inexplicably, Chem-Tainer simply contends that the doctrine of equivalents is in general a proper basis upon which to find infringement, then concludes that here “there is infringement” under that doctrine. (*Id.*) Chem-Tainer thus fails to show a likelihood of success on the merits of its claim for infringement under the doctrine of equivalents of the Andrews tank patents.

b. Likelihood of Success on the Merits of the Trade Dress Infringement Claim

Plaintiff's third cause of action is for infringement of the trade dress of pump brackets Plaintiff sells. These pump brackets are covered by the Andrews pump bracket patent.

i. Standard

Section 43 of the Lanham Act, 15 U.S.C. § 1125(a), prohibits a person from using a false designation of origin in commerce in connection with goods or containers for goods. *Fabrication Enterprises, Inc. v. Hygenic Corp.*, 64 F.3d 53, 57 (2d Cir.1995). A product's trade dress, which involves the total image of a product and may include features such as size, shape, color or color combinations, texture, or graphics, therefore may be protectable under the Lanham Act. *Id.* Thus, a product's manufacturer may be entitled to trade dress protection for the appearance of the product. *Id.*

The elements of a claim for trade dress infringement relating to the appearance of a product are: (1) the claimed dress is not functional; (2) the trade dress is inherently distinctive or has acquired secondary meaning; and (3) there is a likelihood of confusion on the part of the consuming public between the plaintiff's product and the defendant's product. *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 823 (9th Cir.1993).

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ii. Application

Again, Chem-Tainer's moving papers simply do not address the substance of whether it has shown a likelihood of success on the merits of its trade dress infringement claim. Instead, Plaintiff, in its initial brief, merely recites, over several pages, a number of legal rules. (Pl.'s Mem. at 23–27.) In addition, the Complaint does not describe the allegedly protected trade dress. The only illustrations to which the trade dress cause of action refers are the technical drawings contained in the Andrews pump bracket patent. (Compl. ¶ 34 & Ex. 3.) In its Reply brief, Chem-Tainer asserts that its brackets are covered by a design patent, and that the brackets' non-functional elements are thus protected. (Pl.'s Reply at 6.) However, Chem-Tainer does not identify which elements of its brackets are functional and which are non-functional. It is thus difficult to determine exactly what Chem-Tainer claims is protected by trade dress rights.

*7 Defendants maintain that Chem-Tainer's definition of the subject of their alleged trade dress rights with reference to the patent is fatal to Chem-Tainer's trade dress infringement claim. (Def.'s Opp. at 12–14.) It is well settled that functional shapes cannot serve as trade dress. *Vornado Air Circulation Sys. v. Duracraft Corp.*, 58 F.3d 1498, 1510 (10th Cir.1995) (concluding that trade dress protection was not available for appearance of patented fan grill design, and holding that “where a disputed product configuration is part of a claim in a utility patent, and the configuration is a described, significant inventive aspect of the invention ... so that without it the invention could not fairly be said to be the same invention, patent law prevents its protection as trade dress, even if the configuration is nonfunctional”), *cert. denied*, 516 U.S. 1067, 116 S.Ct. 753, 133 L.Ed.2d 700 (1996); 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 7:89, at 7–203 (4th ed. 1996) (“[O]ne cannot argue that a shape is functionally advantageous in order to obtain a utility patent and later assert that the same shape is non-functional in order to obtain trademark protection. Functional patent protection and trademark protection are mutually exclusive.”).¹⁰ Here, Chem-Tainer's Complaint appears to define Chem-Tainer's pump bracket trade dress only in terms of the disclosures in the patent for the bracket. Accordingly, it is arguable that Chem-Tainer's pump bracket lacks trade dress protection, and that Defendants' product is not infringing.

Chem-Tainer also cites to *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 516–17 (9th Cir.), *cert. denied*, 493 U.S. 872, 110 S.Ct. 202, 107 L.Ed.2d 155 (1989), a Ninth Circuit case that Chem-Tainer claims rejects the rule set out in *Vornado*. Chem-Tainer contends that *Clamp* stands for the proposition that non-functional features of a product can be protected by both trade dress and a utility patent. (Pl.'s Reply at 7.) In *Clamp*, the court affirmed the granting of damages and injunctive relief to a clamp manufacturer who had alleged trademark infringement against a rival clamp manufacturer. The plaintiff's patent had expired, but the plaintiff claimed trademark protection for the design and name of its clamp. However, in upholding the lower court's rulings, the appeals court reaffirmed that:

If the utilitarian aspects of the product are its essence, only patent law protects its configuration from use by competitors. Functional features of a product are features which constitute the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product. For an overall product configuration to be recognized as a trademark, the entire design must be nonfunctional.

Id. at 516 (citations and internal quotation marks omitted). The Ninth Circuit declined to disturb the district court's finding that the plaintiff's clamps were distinctive, primarily nonfunctional, and arbitrary; although the court noted that the issue was “close,” it did not find clear error by the district court. *Id.*

*8 In the case at bar, by contrast, no similar claim is made regarding the Chem-Tainer's pump brackets. In addition, as noted above, Chem-Tainer fails to identify the non-functional elements of its pump bracket, and fails to make clear what the trade dress for its product is. Those lapses are particularly significant given the existence of the utility patent.

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See *id.* If Chem-Tainer claims that the entire configuration is the trade dress, then it runs up against its own patent, which clearly contains functional elements.

Chem-Tainer has submitted color copies of photographs of pump brackets produced by Aqua-World and Kodiak, side by side. (Bates Decl. Ex. 9.) The two products appear to differ only in color and the name of the manufacturer imprinted on the product. (*Id.*) Chem-Tainer alleges that this evidence shows that Defendants have copied the functional and non-functional elements of the patented Andrews bracket. (Glen Decl. ¶¶ 16–17.) Nevertheless, Chem-Tainer fails to point to any particular non-functional features of its pump bracket that Defendants have allegedly copied in their own product. Indeed, color seems to be the only element of the Chem-Tainer's pump brackets, as depicted in the photograph copies, that is lacking in the Andrews pump bracket patent illustration. Defendants' pump brackets, however, are a different color than Chem-Tainer's pump brackets. As a result, the color photocopies do little to refute Defendants' functionality argument, and little to support Chem-Tainer's arguments.

Thus, at the very least, Chem-Tainer has failed to demonstrate a likelihood of success on the merits of its claim for trade dress infringement.¹¹

2. Irreparable Harm

a. Standard

The party seeking a preliminary injunction is required to show that he or she will suffer immediate irreparable harm if the injunction is not granted. *Smith Int'l Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1578 (Fed.Cir.), cert. denied, 464 U.S. 996, 104 S.Ct. 493, 78 L.Ed.2d 687 (1983). A patent owner is entitled to a presumption of irreparable harm when it makes a clear showing of patent validity and continuing infringement. *Id.* at 1581.

Similarly, in trade dress cases, as in trademark cases, once the plaintiff establishes a likelihood of confusion between the plaintiff's mark and the defendant's, it is ordinarily presumed the plaintiff will suffer irreparable harm if injunctive relief is not granted. *International Jensen*, 4 F.3d at 827.

More generally, while lost sales and profits may be compensable through money damages, the loss of customers and goodwill may not be. In a highly competitive market, injury to market share can constitute irreparable harm. *Cordis Corp. v. Medtronic, Inc.*, 2 U.S.P.Q.2d 1845, 1848 (D.Minn.1986), *aff'd*, 835 F.2d 859 (Fed.Cir.1987).

Delay is a factor to be considered in determining whether an injunction should issue. *Lydo Enterprises, Inc. v. City of Las Vegas*, 745 F.2d 1211, 1213–14 (9th Cir.1984).

b. Application

*9 As noted above, Chem-Tainer has failed to show a likelihood of success on the merits on either its patent claims or its trade dress infringement claim. Accordingly, it is not entitled to a presumption of irreparable harm.

With regard to all of its claims, Chem-Tainer contends that it will suffer irreparable harm in the form of lost customers, damaged customer relations, and loss of goodwill. (Glen Decl. ¶ 18.) Chem-Tainer also alleges that it is losing, or in the very near future will lose, sales and profits from Defendants' marketing of infringing goods at a number of trade shows. (*Id.* ¶ 19.)

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However, the Court has already temporarily enjoined both sides from communicating with the other side's customers about its products. As set out below, the Court will enter a narrower form of that injunction as a preliminary injunction, thus addressing Chem-Tainer's concerns regarding loss of customer base and damaged customer relations due to Defendants' threats. In addition, lost sales may very well be remediable through money damages.

Finally, Chem-Tainer and its predecessors in interest have not acted with the utmost urgency. Here, the dispute between Andrews and Wilkin over the rights to the tank designs goes back at least to 1994. Chem-Tainer itself has submitted evidence that Andrews, through counsel, accused Defendants of producing a pump bracket that infringed the Andrews pump bracket patent in November 1994. (Pl.'s Reply Ex. 17 (letter from counsel for Andrews to Larry Wilkin dated November 3, 1994).) Yet, Andrews did not take legal action during the ensuing two years. In addition, Chem-Tainer, the current party-in-interest with regard to the Andrews patents, was aware of Defendants' activities and had obtained relevant patent file histories at least by the end of December 1996. Nevertheless, Chem-Tainer waited until February 1997 to seek a TRO.

Thus, this factor does not militate in favor of granting a preliminary injunction.

3. Balance of Hardships

The relief Chem-Tainer seeks would prevent Defendants from selling products that may well not infringe Chem-Tainer's patents and for which Defendants have a patent (the Wilkin tank patent), and products that may well not infringe whatever trade dress rights Chem-Tainer may have in the appearance of its pump bracket.

In addition, a court may consider the relative size and strength of the parties. *See International Jensen*, 4 F.3d at 827. Here, sales of the accused devices allegedly constitute the bulk of Defendants' business. (Diane Wilkin Decl. ¶ 4.) Enjoining such sales would thus have a significant impact on Defendants' business. In other words, the harm to Defendants could be substantial. Chem-Tainer does point out that Defendants have not specifically indicated what portion of its business is attributable to accused tanks and brackets, as opposed to tanks and brackets generally. (Pl.'s Reply at 7-8.) Chem-Tainer also contends that Defendants sell other, non-accused products. (*Id.*) That may suggest that the impact would be less than Defendants claim. However, Chem-Tainer has not provided evidence that sales of the allegedly infringed tanks and pump bracket constitute a significant share of its own business. Moreover, denying Chem-Tainer's request for injunctive relief does not restrict Chem-Tainer's ability to sell its own products.

*10 Therefore, this factor does not support the issuance of a preliminary injunction.

4. Public Interest

a. Patent Claims

The court's public interest analysis generally focuses on whether the granting of the requested relief would harm some critical public interest. *Hybritech*, 849 F.2d at 1458. In addition, the public also has an interest in the enforcement of patent rights. *Id.*

Here, however, it is not clear where the public interest lies. Chem-Tainer alleges that Wilkin fraudulently obtained his own patent, and has infringed, and continues to infringe, the Andrews patents. On the other hand, evidence submitted both by Chem-Tainer and Defendants at least suggests that Defendants may not have infringed Chem-Tainer's patents, and that the Andrews pump bracket patent may not be valid.

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b. Trade Dress Claim

The Lanham Act, which, as noted above, covers trade dress, serves the public's interest in protection against deceit as to the source of its purchases and the right of a product seller to enjoy business earned through investment in the good will and reputation attached to a trade name. *Fabrication Enterprises*, 64 F.3d at 57.

Here, however, it is not clear that Chem-Tainer is entitled to trade dress protection in its pump bracket, at least as the alleged trade dress is depicted in the record before the Court. See *Fabrication Enterprises*, 64 F.3d at 58 (“Even if a product's trade dress is distinctive, however, an alleged infringer can defeat Lanham Act protection by showing that the trade dress, or a feature of the trade dress, is functional.”). In addition, The public concern to avoid confusion of product source is alleviated at least partly by the fact that on both the Aqua-World bracket and Defendants' bracket the manufacturer's name is prominently imprinted.

Thus, this factor does not clearly support the issuance of the preliminary injunction.

V. CONCLUSION

For the foregoing reasons, the Court hereby GRANTS the request for a preliminary injunction, but only to the extent of issuing a preliminary injunction that narrows the injunctive relief already granted temporarily, as set out below.

The Court hereby PRELIMINARILY ENJOINS PLAINTIFF AND ALL DEFENDANTS, and their respective officers, directors, agents, servants, employees, attorneys, successors, and assigns, and all persons in active concert or participation with them, from ENGAGING IN ANY MANNER OF CONTACT OR COMMUNICATION WITH THE CUSTOMERS, DISTRIBUTORS AND SUPPLIERS OF THE OPPOSING SIDE'S PRODUCTS, AND WITH THE OPPOSING SIDE'S PRINCIPALS AND EMPLOYEES, REGARDING THE PATENT STATUS OF THE OPPOSING SIDE'S PRODUCTS OR WHETHER THE OPPOSING SIDE'S PRODUCTS INFRINGE THE OTHER SIDE'S PATENTS.

The Court hereby DENIES Plaintiff's Application to the extent that it seeks to enjoin Defendants from selling, offering to sell, advertising, promoting, marketing, filling orders for, or otherwise disposing of inventory of releasable mounting brackets for a pump and inventory of bait tanks. In addition, communication or contact by one side with the other side's customers, distributors, and suppliers regarding the other side's products is not barred so long as no reference is made to issues of patent status and infringement.

*11 The above preliminary injunction order is effective without any bond or undertaking by Plaintiff.

IT IS SO ORDERED.

All Citations

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Footnotes

1 United States Letters Patent Number 4,887,380 (“the '380 patent”).

2 United States Letters Patent Number 5,088,229 (“the '229 patent”).

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3 United States Letters Patent Number 5,536,105.

4 United States Letters Patent Number 5,406,740.

5 This document was received but not filed by the Clerk's Office.

6 Defendants argue this as an alternative to their claim that Larry Wilkin co-owns the Andrews pump bracket patent. Their co-ownership argument is that Larry Wilkin has an undivided co-ownership share in the patent because he created essential elements of it.

7 Chem-Tainer also appears to contend that the declaration from Diane Wilkin is hearsay. (See Pl.'s Reply at 4.) However, as discussed above, Chem-Tainer's own evidence, in particular the second Andrews declaration, at least suggests that Defendants' co-inventor argument is plausible, and may provide circumstantial support for that argument.

8 Indeed, Chem-Tainer's initial brief consists of little more than a series of legal rules, set out at length, followed by a short conclusory contention that the legal rules apply in this case to Chem-Tainer's benefit. (See, e.g., Pl.'s Mem. Supp. Ex Parte Application for TRO ("Pl.'s Mem.") at 13-22 (setting out legal standards relevant to requests for preliminary injunctions in patent applications with no application to facts of case at bar).)

9 With regard to the Andrews tank patents, Defendants, pointing to the evidence submitted by Chem-Tainer, contend that the claim limitations in those patents indicate that Defendants' tanks are not infringing devices. In the '380 Andrews tank patent, the essential elements of the three independent claims are set out in Claim 1. Claim 1 of the '380 patent restricts the patents' coverage to tanks in which the fluid inlet is "oriented at or near" the top of the tank, the fluid outlet is located at the bottom of the tank, and the liquid flows in a circular and downward direction. (Compl.Ex. 1.) Claim 1 of the '229 Andrews tank patent, that patent's only claim, requires the three elements set out in Claim 1 of the '380 patent. Thus, in order for either of those two patents to be infringed, the accused device must contain all three of those elements. (*Id.* Ex. 2.)

Defendants argue, however, that the devices they sell have none of those three elements. Defendants' evidence shows that their tanks have a fluid inlet at the bottom of the tank and a fluid outlet at the top of the tank, and that the flow of water within the tank is evenly distributed through the use of vented bafflings that extend the entire height of the tank and are positioned to block the inlet and outlet. (Def.s' Opp. at 3-4; Diane Wilkin Decl. Ex. 1 (diagram of Def.s' tank in promotional materials).) Although the Wilkin tank patent does not appear to be limited to such an in-flow and out-flow configuration, (*see* Compl. Ex. 5), Defendants' evidence regarding the tanks it is allegedly selling significantly diminishes Chem-Tainer's showing regarding likelihood of showing infringement of the Andrews tank patents.

It may be that a user of Defendants' tank could configure the tank to operate like the tanks covered by the Andrews tank patents. However, that possibility does not render an otherwise non-infringing device infringing. *See High Tech Med. Instrumentation v. New Image Indus.*, 49 F.3d 1551, 1555 (Fed.Cir.1995) ("[A] device does not infringe simply because it is possible to alter it in a way that would satisfy all the limitations of a patent claim.... 'The question is not what [a device] might have been made to do, but what it was intended to do and did do ... [T]hat a device could have been made to do something else does not of itself establish infringement.' ") (quoting *Hap Cor. v. Heyman Mfr. Co.*, 311 F.2d 839, 843 (1st Cir.1962), *cert. denied*, 373 U.S. 903, 83 S.Ct. 1290, 10 L.Ed.2d 198 (1963)). Only if the device is *designed* to be altered or assembled before operation, and as altered or assembled it infringes a valid patent, can the manufacturer be held liable for infringement. *High Tech*, 49 F.3d at 1556.

10 One theory behind this rule is that a contrary rule, one which permitted trade dress protection for functional elements, would provide a means for patent holders to extend their monopolies beyond, and thereby defeat the purpose of, the limited statutory lives of their patents. *See* McCarthy, *supra*, § 7:89, at 7-205.

11 Because the Court concludes that Chem-Tainer has not shown that it is likely to prevail on its non-functionality argument, the Court does not reach the issues of secondary meaning and consumer confusion.

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