

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

<p>DAVID A. TROPP,</p> <p style="text-align: center;"><i>Plaintiff,</i></p> <p style="text-align: center;">v.</p> <p>CONAIR CORPORATION, <i>et al.</i>,</p> <p style="text-align: center;"><i>Defendants.</i></p>	<p>Civil Action No. 1:08-CV-04446 (ENV) (RLM)</p>
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**PLAINTIFFS' MEMORANDUM OF LAW IN OPPOSITION TO THE
MOTION BY DEFENDANTS FOR SUMMARY JUDGMENT**

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PRELIMINARY STATEMENT

Plaintiff David A. Tropp (“Tropp” or “plaintiff”) submits this memorandum of law in opposition to the motion brought by each of the defendants for summary judgment on grounds that there exists no induced infringement under 35 U.S.C. § 271(b).

PROCEDURAL HISTORY AND STATEMENT OF FACTS

In an effort not to further overburden the Court with a repetition of facts and historical details with which it is already intimately familiar, Tropp respectfully refers the Court to his Memorandum of Law to Defendant Tumi Inc.’s Motion for Summary Judgment on the Issue of No Induced Infringement dated August 9, 2103 being filed approximately contemporaneously herewith. Tropp further refers the Court to Section II “Background” from his prior Memorandum of Law in Opposition to Plaintiff Travel Sentry’s Motion for Summary Judgment on Non-infringement dated November 16, 2009 filed in the earlier action currently pending before this Court styled as *Travel Sentry, Inc. v. Tropp*, Civil Action No. 1:06-cv-06415 (“*Travel Sentry*”). (*Travel Sentry*, Dkt. No. 139.) The facts set forth by Tropp in his prior *Travel Sentry* briefing is of equal force here because each of the moving defendants are undisputed licensees of Travel Sentry who manufacturer, distribute and/or sell the infringing methods.

ARGUMENT

I. LEGAL STANDARD HEADING

Summary judgment is appropriate only “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). The “burden of demonstrating that no material fact exists lies with the moving party.” *Rojas v. Roman Catholic Diocese of Rochester*, 660 F.3d 98, 104 (2d Cir. 2011), *Decl. denied*, 132 S. Ct. 1744 (2012). In evaluating a summary judgment motion, “the evidence of the non-movant is to be believed; all permissible inferences are to be drawn in [the non-movant's] favor; and the court must disregard all evidence favorable to the moving party that the jury is not required to believe.” *Redd v.*

N.Y. State Div. of Parole, 678 F.3d 166, 174 (2d Cir. 2012) (internal quotation marks omitted). As a result, “Summary judgment is inappropriate when the admissible materials in the record ‘make it arguable’ that the claim has merit,” or “[w]here an issue as to a material fact cannot be resolved without observation of the demeanor of witnesses in order to evaluate their credibility.” *Id.* (internal quotation marks omitted).

II. THE COMPLAINT STATES, AND THE EVIDENCE SUPPORTS, A CLAIM FOR DIRECT INFRINGEMENT.

Defendants’ motion is styled as one for summary judgment “based on non-infringement,” but state in the Introduction to their brief that it is submitted in support of their motion for summary judgment “on plaintiff David Tropp’s claim that defendants induce infringement under 35 U.S.C. § 271(b),” adding in a footnote that “By stipulation dated April 23, 2013 (Dkt. 281-1), Tropp **added** inducement to his **direct infringement claim**” (emphasis added). (Defs. Br.¹ at 1 n.1.) The entirety of their brief addresses contributory or induced infringement. Defendants assert elsewhere that Tropp is making no direct infringement claims against them (*see, e.g.*, Defs. Br. at 10 n.7), but there is no basis for this. They have both acknowledged that the stipulation of April 23, 2013 effected an additional basis on which Tropp may seek liability, as it clearly does by its own terms, and they do not at any juncture come forward with any basis on which they might substantiate their sometimes-position that that Tropp does not have a claim for direct infringement in this case.

It should be noted that elsewhere in their brief defendants purport to rely on the “law of the case” arising from its *Travel Sentry* decision, which Tropp addresses below. Neither that opinion, however, nor the memorandum order dismissing Tropp’s claims here on the narrow ground of collateral estoppel, *Tropp v. Conair Corp.*, 08-CV-4446 ENV RLM, 2011 WL 3511001 (E.D.N.Y. Aug. 10, 2011), *vacated and remanded*, 484 F. App’x 568 (Fed. Cir. 2012), could effectuate the “disappearance” of Tropp’s direct infringement claim if only because those decisions were vacated.

¹ All citations to defendants’ Memorandum of Law in Support of Defendants’ Motion for Summary Judgment of Non-Infringement dated June 28, 2013 is referred to herein as “Defs. Br. at ___.”

“[W]here a court has vacated an earlier order, the doctrine of the law of the case no longer applies.” *Schwartz v. Chan*, 142 F. Supp. 2d 325, 330 (E.D.N.Y. 2001), citing *Johnson v. Board of Ed.*, 457 U.S. 52, 53-54 (1982). *Accord*, *Simpson v. Motorists Mut. Ins. Co.*, 494 F.2d 850, 854-55 (7th Cir. 1974) (refusing to give weight to findings of fact and conclusions of law made by district judge in proceedings that led to the vacated judgment); *cf. Stone v. Williams*, 970 F.2d 1043, 1054-55 (2nd Cir. 1992) (judgment that has been vacated or set aside has no preclusive effect).

In any case, although this Court’s collateral estoppel decision included incidental discussion of Tropp’s possible grounds for recovery as of that time, that ruling could not (even absent the vacatur) amount to a dismissal of the claim on the merits, regarding which Tropp has never had the opportunity to be heard and to make submissions in defense of these claims pursuant to Fed. R. Civ. P. 56. It is worth noting, however, that while the Court does express the view there – upon the abbreviated submissions it mandated in connection with the collateral estoppel question – that the complaint “contains no allegations that defendants directly infringed the patented method” and “clearly names Travel Sentry as the only direct infringer,” Tropp respectfully submits that the complaint does in fact say more than this. It alleges that all the defendants manufacture, license or sell travel security products (¶¶ 2-18); that each of them “licenses or sells luggage utilizing Travel Sentry’s travel lock system” (¶ 29); and that these defendants “have infringed the ’537 patent by making Travel Sentry’s travel lock system for luggage available to consumers” (¶¶ 34 and 39). For this reason, the April 23, 2013 stipulation refers only to adding inducement as a basis for recovery, not substituting the extant direct infringement claims. This certainly meets the standard of alleging direct infringement, as recently reaffirmed in *Toshiba Corp. v. Imation Corp.*, 681 F.3d 1358, 1365 (Fed. Cir. 2012), which held that “where an alleged infringer designs a product for use in an infringing way and instructs users to use the product in an infringing way, there is sufficient evidence for a jury to find direct infringement.”

For these reasons, Tropp addresses only the arguments raised in defendants' initial brief, i.e., the question of whether the new, added claims for contributory infringement should be dismissed on summary judgment.

III. DEFENDANTS MISSTATE THE HOLDING OF *AKAMAI* AND IGNORE THE RULING OF THE FEDERAL CIRCUIT IN *TRAVEL SENTRY V. TROPP* WITH RESPECT TO INTENT TO PERFORM ALL THE STEPS OF A PATENT CAUSING INDIRECT INFRINGEMENT.

The rationale of defendants' motion concerning inducement of infringement is easily summarized: "The undisputed record demonstrates that Defendants have not induced any allegedly infringing activity, including the TSA's luggage screening activity, at any time since the issuance of Tropp's Patents." (Def. Br. at 6.) Relying on *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1313 (Fed. Cir. 2012) (*en banc*), they argue that "to be liable for induced infringement, a defendant must knowingly induce infringement [by others] with specific intent to cause that infringement; '[u]nlike direct infringement, induced infringement is not a strict liability tort.'" (Defs. Br. at 7, citing *Helferich Patent Licensing, LLC v. Suns Legacy Partners, LLC*, 2013 WL 68610, at *4 (D. Ariz. Jan. 7, 2013) (quoting *Akamai*, 692 F.3d at 1308).) A finding of induced infringement requires that "the inducer must act with knowledge that the induced acts constitute patent infringement and cause, urge, encourage, or aid the infringing conduct." (*Id.*) Defendants leap from this evidently reasonable legal argument to a much more dubious one, however:

[P]rior to the Federal Circuit's *en banc* decision in *Akamai*, it was legally and factually impossible for him to show that any Defendant directly infringed any claim of either Patent. . . . And, because Tropp could not, in good faith, assert a claim for direct infringement against any Defendant prior to *Akamai*, he similarly could not — and did not — assert any claim for inducement. . . . Accordingly, as a matter of law, Tropp cannot show any inducement by any Defendant (or that he suffered any damages) in this case prior to August 31, 2012, the date of the *Akamai* decision.

(Def. Br. at 8.) If defendants believe, as they claim to do, that the Federal Circuit's opinion in *Akamai* was an unwarranted leap of legal faith, that bound is nothing compared to its traversal of the dubious propositions set off above.

Defendants assert that because the law prior to *Akamai* would not have sustained a direct infringement claim, as this Court originally found in dismissing Tropp’s infringement claims in *Travel Sentry*, even after *Akamai* is it impossible to say that any party can be charged, retroactively, with having the requisite intent to induce infringement before *Akamai*. They argue that “prior to the Federal Circuit’s en banc decision in *Akamai*, it was legally and factually impossible for him to show that any Defendant directly infringed any claim of either Patent. . . . And, because Tropp could not [. . .] assert a claim for direct infringement against any Defendant prior to *Akamai*, he similarly could not — and did not — assert any claim for inducement.”

But Tropp did, as set forth above, assert a claim for direct infringement against defendants, and still does. Defendants have acknowledged it in their brief, and no order of this Court or other disposition exists to suggest otherwise. Thus defendants’ statement that Tropp “similarly could not — and did not — assert any claim for inducement” is simply nonsense. *See Civix-DDI, LLC v. Hotels.Com, LP*, 904 F. Supp. 2d 864, 869-70 (N.D. Ill. 2012).

Additionally, their argument that the pre-*Akamai* law made it “impossible” to form the necessary intent to infringe—which is restated in a different form in part (D) of their moving brief, which regurgitates their invalidity defense—is preposterous. By that logic, the defendant in *Akamai* itself, and every case that follows it, could and would say the same thing. There would have been no reason to remand that case, or this case, for further proceedings. Obviously the Federal Circuit was aware of the imagined logical “catch” that defendants assert here when it vacated this Court’s prior order and remanded this case and the *Travel Sentry* action. Perhaps that is why its language, in the *Travel Sentry* decision, made it clear that the factual question to be determined in this litigation is not, as defendants cynically maintain, “inducement to infringe.” But rather, as that Court wrote as follows:

The district court, although following our then-existing precedent, erred by founding its indirect infringement analysis on a single-entity requirement. The district court did not determine whether a genuine issue of material fact existed as to the

performance of all the claim steps—whether by one entity or several. Moreover, the court did not analyze whether Travel Sentry had knowledge of Tropp's patent and **induced others to perform the claim steps** that Travel Sentry did not itself perform.

We therefore vacate the district court's grant of summary judgment and remand for a determination whether, under the standard set forth in our recent en banc opinion in *Akamai*, Travel Sentry is liable for indirect infringement. **That standard requires that the accused inducer, here, Travel Sentry, knew of the asserted patents and performed or induced the performance of the steps of the claimed methods**, and that all of those steps were in fact performed.

Travel Sentry, Inc. v. Tropp, 497 F. App'x 958, 967 (Fed. Cir. 2012) (citations omitted). The issue, then, is not whether a criminal-law-type *mens rea* to act unlawfully must be alleged or proved to show “intent” for purposes of contributory liability. Rather, it is whether “the accused inducer . . . **knew of the asserted patents** and performed or **induced the performance of the steps** of the claimed methods.”

Defendants’ statements regarding “good faith intent” on this score are, therefore, irrelevant, besides typically being inappropriate issues on which to base dismissal on summary judgment. “Summary judgment is notoriously inappropriate for determination of claims in which issues of intent, good faith and other subjective feelings play dominant roles.” *Krishna v. Colgate Palmolive Co.*, 7 F.3d 11, 16 (2d Cir. 1993) (internal quotation marks omitted); *see also Gelb v. Bd. of Elections*, 224 F.3d 149, 157 (2d Cir. 2000) (“summary judgment is generally inappropriate where questions of intent and state of mind are implicated”) (citing cases).

Contrary to the impression defendants seek to leave in their brief, the Federal Circuit in *Commil USA, LLC v. Cisco Sys., Inc.*, 2012-1042, 2013 WL 3185535 (Fed. Cir. June 25, 2013), far from granting summary judgment based on a rationale such as defendants, merely stated that “evidence of an accused inducer’s good-faith belief of invalidity **may** negate the requisite intent for induced infringement,” adding, “This is, of course, not to say that such evidence precludes a finding of induced infringement. Rather, **it is evidence that should be considered by the fact-finder** in determining whether an accused party knew ‘that the induced acts constitute patent infringement.’”

Id. at *6 (emphasis added; footnote, quotation and citation omitted). Indeed, in a footnote the Court of Appeals explicitly rejects what it characterizes as a “straw man” argument by the dissenting opinion, which accuses the majority of making precisely the legal argument defendants urge here: “We certainly do not hold ‘that if the inducer of infringement believes in good faith that the patent is invalid, there can be no liability for induced infringement.’” J. Newman Op. concurring-in-part, dissenting-in-part Nor do we ‘include a belief in patent validity as a criterion of infringement.’” *Id.* at *6 n.1. Similarly, the other case cited by defendants on this point, *DSU Med. Corp. v. JMS Co., Ltd.*, 471 F.3d 1293, 1307 (Fed. Cir. 2006), was not a grant of a summary judgment based on the assertion of good faith, but rather an affirmation in part of the trial court’s leaving that determination to the sound determination of the jury. Defendants’ repeated insistence that it thinks very little of Tropp’s patent, however, cannot amount to a valid defense of non-infringement.

IV. DEFENDANTS’ ARGUMENT CONCERNING ACTS AMOUNTING TO INDUCEMENT OF INFRINGEMENT WRONGFULLY FOCUSES ON SUBJECTIVE INTENT AND OTHERWISE MISAPPREHENDS THE LEGAL STANDARD FOR PROVING INDIRECT INFRINGEMENT.

Defendants repeat their selective use of case quotations to restate their conception that to induce infringement, a party must have a subjective intention concerning the legal implications of their actions, despite the Federal Circuit’s instruction that the fact question to be determined is whether the inducing defendant (a) knew of the patent and (b) induced performance of the steps of the claimed methods. From here they urge that the record contains no evidence of interaction between the defendants and the TSA, “and do not actively aid or encourage any other accused infringer in a manner that causes infringement.” (Defs. Br. 10-11.) Besides starting with a mischaracterization of the law, however, defendants fail here to apply the law to the undisputed facts of record.

The mistaken emphasis on subjective intent in defendants' argument has already been addressed above. In this part of their brief, however, they place great weight on *Global-Tech Appliances, Inc. v. SEB S.A.*, ___ U.S. ___, 131 S. Ct. 2060, 179 L. Ed. 2d 1167 (2011) which held that "induced infringement under § 271(b) requires knowledge that the induced acts constitute patent infringement." *Id.* at 2068. But such "knowledge" is not subjective in nature. Few defendants will ever acknowledge that their infringing activities are in fact unlawful, much less generate admissible evidence to that effect. Thus, willfulness is generally a question of fact. *See Spine Solutions, Inc. v. Medtronic Sofamor Danek USA, Inc.*, 620 F.3d 1305, 1319 (Fed. Cir. 2010).

"To establish willful infringement, 'a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.'" *Advanced Fiber Technologies (AFT) Trust v. J & L Fiber Servs., Inc.*, 674 F.3d 1365, 1377 (Fed. Cir. 2012), quoting *In re Seagate Tech., LLC*, 497 F.3d 1360, 1371 (Fed.Cir. 2007) (*en banc*). Respecting willful infringement, "[i]t is enough that the inducer 'cause[s], urge[s], encourage[s], or aid[s]' the **infringing conduct** and that the **induced conduct** is carried out." *Akamai*, 692 F.3d at 1308, citing *Arris Grp., Inc. v. British Telecomms. PLC*, 639 F.3d 1368, 1379 n. 13 (Fed. Cir. 2011) (emphasis added). This is not a new creation of the *Akamai* court, but is well-established patent law. *See, e.g., Linear Tech. Corp. v. Impala Linear Corp.*, 379 F.3d 1311, 1326 (Fed. Cir. 2004) ("Although not directly infringing, a party may still be liable for inducement or contributory infringement of a method claim under 35 U.S.C. §§ 271(b), (c) if it sells infringing devices to customers **who use them in a way that directly infringes the method claim.**") (citation omitted; emphasis added). This approach is entirely consistent with the same court's ruling in *Travel Sentry*, which remanded that case for a determination of whether Travel Sentry "knew of the asserted patents and performed or induced the performance of the steps of the claimed methods, and that all of those steps were in fact performed." *Travel Sentry*, 497 F. App'x at 967.

Having dispensed with the question of subjective intent, it is necessary to address defendants' insistence that the record contains no evidence that meets this standard. In *Toshiba Corp.*, 681 F.3d at 1358 the Federal Circuit explained that an inference of infringement may be made "where an alleged infringer designs a product for use in an infringing way and instructs users to use the product in an infringing way." *Id.* at 1365. The claim here against the defendant luggage manufacturers is essentially the same, although defendants have erected a straw man by focusing on the supposed absence of evidence concerning their interactions with the TSA only. Thus even if "only the TSA could be accused of performing the luggage screening step claimed in the Patents," (Def. Br. at 10 n.8) this does not mean that Tropp has to prove "active" inducement of the TSA in its luggage screening activities any more than he has to prove that defendants induced any other particular user of the infringing locks. Defendants' throwaway assertion that "it is . . . law of this case . . . that only the TSA could be accused of performing the luggage screening step, citing *Travel Sentry, Inc. v. Tropp*, 736 F. Supp. 2d 623, 638 (E.D.N.Y. 2010) *vacated and remanded*, 497 F. App'x 958 (Fed. Cir. 2012) is an irrelevant distraction.³

The facts that matter here – that these defendants all manufacture or sell merchandise to the general public utilizing the Travel Sentry lock – are not the subject of bona fide dispute. The complaint alleges that all the defendants manufacture, license or sell travel security products (Dkt. No. 1 ¶¶ 2-18); that each of them "licenses or sells luggage utilizing Travel Sentry's travel lock system" (Dkt. No. 1 ¶ 29); and that these defendants "have infringed the '537 patent by making Travel Sentry's travel lock system for luggage available to consumers." (Dkt. No. 1 ¶¶ 34 and 39).

³ The claim that there is any "law of the case" arising from the *Travel Sentry* decision is also baseless, because, as noted previously, that decision was vacated. *See, Schwartz*, 142 F. Supp. 2d at 330; *Stone*, 970 F.2d at 1054-55. In any event, the *Travel Sentry* decision would not govern issues to be decided on this motion even if it had not been vacated because even if it could be law of "the case," it would not be the law of **this** case – in which the moving defendants are not parties – but of the *Travel Sentry* case. The facts underlying the infringement claims in both cases are not identical, for, as is undisputed, the inducement alleged here involves direct sales to consumers, which is factually inapposite with *Travel Sentry*.

Although each defendant disingenuously, and in violation of Fed. R. Civ. P. 11, denied in their answers having “knowledge and information sufficient to form a belief as to the truth” of these allegations or denied them outright, they admit them in their brief, which describes the defendants as “lock manufacturers and/or retailer licensees of Travel Sentry.” (Defs. Br. at 1.)

As a legal matter, while infringement requires a showing that each and every element of the claimed invention has been practiced, the patentee may do so by relying on either direct or circumstantial evidence. In *Broadcom Corp. v. Qualcomm Inc.*, 543 F.3d 683, 700, (Fed. Cir. 2008), the Federal Circuit explained the evidentiary standard as follows, concluding with language that further demonstrates how inapt summary judgment is for determining questions such as this:

Qualcomm seems to argue that the jury's verdict cannot stand because Broadcom failed to produce direct evidence of intent to induce infringement. That is not the law. A patentee may prove direct infringement or inducement of infringement by either direct or circumstantial evidence. There is no requirement that direct evidence be introduced, nor is a jury's preference for circumstantial evidence over direct evidence unreasonable *per se*. Moreover, the drawing of inferences, particularly in respect of an intent-implicating question is peculiarly within the province of the fact finder that observed the witnesses.

(citations and quotations omitted.) This is true of induced infringement claims as well as direct infringement claims and, as would be expected, is routinely applied to situations where an infringer produces or sells a product that is infringed when consumers use it for the purpose for which it was sold. Therefore defendants' insistence that they cannot be found liable of infringement because they “are not accused of being direct infringers, nor do they advertise to or instruct anyone who is accused of infringement” (Def. Br. at 10, n.7) is mistaken. As the court explained in *Emtel, Inc. v. Lipidlabs, Inc.*, 907 F. Supp. 2d 833, 842 (S.D. Tex. 2012) *reconsideration denied*, CIV.A. H-07-1798, 2013 WL 1707678 (S.D. Tex. Apr. 19, 2013), *citing Linear Tech. Corp. v. Int'l Trade Comm'n*, 566 F.3d 1049, 1060 (Fed. Cir. 2009):

In *Toshiba [Corp. v. Imation Corp.]*, 681 F.3d 1358 (Fed.Cir.2012)], an induced-infringement case, the Federal Circuit held that an inference of direct infringement was permissible “where an alleged infringer designs a product for use in an infringing way and instructs users to use the product in an infringing way.” *Id.* at

1365; *see also* *Lucent [Technologies, Inc. v. Gateway, Inc.]*, 580 F.3d 1301,] 1318 [(Fed. Cir. 2009)] (finding sufficient evidence to support a jury verdict of direct infringement because the accused infringer designed its products to practice the claimed invention and instructed its customers to use the accused product in an infringing way). The DVDs at issue in *Toshiba* came with instructions to enable an infringing mode. Some of the defendant's materials recommended against using the noninfringing mode so as to enable necessary interchangeability between disc formats. 681 F.3d at 1366. The *Toshiba* court distinguished cases like *ACCO Brands [v. ABA Locks Mfrs. Co.]*, 501 F.3d 1307 (Fed.Cir.2007)], where the evidence did not suggest actual infringement, because the products in *ACCO Brands* “were sold only with instructions describing the non-infringing use,” even though the patentee's expert in that case opined that “the infringing mode was the ‘natural and intuitive way’ to operate the device.” *Id.* (citing 501 F.3d at 1312–13); *see also* *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321, 1328–29 (Fed.Cir.2010) (holding that no evidence suggested actual infringing use when the infringing mode was disabled by default settings and the user manual described, but did not instruct, an infringing use). . . .

Like the patentees in *ACCO Brands* and *Fujitsu*, Emtel has not produced or identified evidence that SOC instructed its physicians to conduct infringing simultaneous calls. *See ACCO Brands*, 501 F.3d at 1312–13; *Fujitsu*, 620 F.3d at 1328–29. But unlike those cases, the evidence Emtel relied on shows that simultaneous calling was on occasion the necessary way—not merely the “natural [or] intuitive way”—for SOC physicians to use the teleconferencing equipment. *ACCO Brands*, 501 F.3d at 1312.

Emtel, 907 F. Supp. 2d at 843-844. Similarly, in *R.F. Del., Inc. v. Pac. Keystone Techs., Inc.*, 326 F.3d 1255 (Fed. Cir. 2003), the Federal Circuit explained that “a party’s acts in connection with selling equipment may . . . constitute active inducement of infringement or contributory infringement of a method claim under 35 U.S.C. § 271(b) and (c) if using that equipment infringes that patent or if it knows the products to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.” *Id.* at 1267 (citations and internal quotes omitted). Here, too, there is one way for the world to use the locks sold by defendants: By infringing the patents-in-suit. At the very least, there cannot possibly be a lack of a material dispute on that score so as to justify summary judgment.

Defendants cite a number of cases, however, which they maintain stand for the proposition that their sale of the infringing locks would not subject them to inducement liability because liability can only attach if they “actively encouraged or assisted the infringement.” (Defs. Br. at

12.) They claim there is no evidence of this – but they do so solely by reciting the lack of evidence that they undertook any action to “instruct the TSA to engage in any infringement.” (*Id.*) As to their customers, they argue, “To the extent there is any instruction by Defendants, it is to their customers — none of whom is accused of infringement.” (Defs. Br. at 13.) This completely misapprehends the law set forth in the cases above, which impose liability where, as stated in *R.F. Del., Inc., supra*, “a party's acts in connection with selling equipment” if using that equipment infringes that patent “or if it knows the products to be especially made or especially adapted for use in an infringement of such patent” *Id.* at 1267.

Liability arising out of sales of a product which end users will inevitably utilize by infringement of a method patent has nothing to do with “accusing” innocent users of infringement, and raising the issue in this manner suggests a complete misunderstanding of the concept of contributory infringement. Addressing this very point, the Supreme Court explained in *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176 (1980):

As we have noted, the doctrine of contributory infringement had its genesis in an era of simpler and less subtle technology. Its basic elements are perhaps best explained with a classic example drawn from that era. In *Wallace v. Holmes*, 29 F.Cas. 74 (No. 17,100) (CC Conn.1871), the patentee had invented a new burner for an oil lamp. In compliance with the technical rules of patent claiming, this invention was patented in a combination that also included the standard fuel reservoir, wick tube, and chimney necessary for a properly functioning lamp. After the patent issued, a competitor began to market a rival product including the novel burner but not the chimney. *Id.*, at 79. Under the sometimes scholastic law of patents, this conduct did not amount to direct infringement, because the competitor had not replicated every single element of the patentee's claimed combination. *Cf.*, e. g., *Prouty v. Ruggles*, 16 Pet. 336, 341, 10 L.Ed. 985 (1842). Yet the court held that there had been “palpable interference” with the patentee's legal rights, because purchasers would be certain to complete the combination, and hence the infringement, by adding the glass chimney. 29 F.Cas., at 80. **The court permitted the patentee to enforce his rights against the competitor who brought about the infringement, rather than requiring the patentee to undertake the almost insuperable task of finding and suing all the innocent purchasers who technically were responsible for completing the infringement.** *Ibid.* See also *Bowker v. Dows*, 3 F.Cas. 1070 (No. 1,734) (CC Mass. 1878).

The *Wallace* case demonstrates, in a readily comprehensible setting, the reason for the contributory infringement doctrine. It exists to protect patent rights from subversion by those who, without directly infringing the patent themselves, engage

in acts designed to facilitate infringement by others. This protection is of particular importance in situations, like the oil lamp case itself, where **enforcement against direct infringers would be difficult, and where the technicalities of patent law make it relatively easy to profit from another's invention without risking a charge of direct infringement.**

448 U.S. at 187-188 (emphasis added). This passage from *Dawson* gets to the equitable rationale of contributory infringement liability, putting facile and cynical talk about “accusing users of infringement” in the proper context and demonstrating the weakness of defendant’s argument – one calculated solely to enable them to “make it relatively easy to profit from another's invention without risking a charge of direct infringement.” For this reason, it should be rejected.

So should defendants’ suggestion that being in the business of selling infringing luggage locks is not sufficient to meet the definition of “active” conduct to cause inducement to infringe by public sale. This standard is not nearly as restrictive as they suggest, however, as the Southern District held in *Wing Shing Products (BVI), Ltd. v. Simatelex Manufactory Co., Ltd.*, 479 F. Supp. 2d 388, 410-11 (S.D.N.Y. 2007):

[T]he Court must next determine whether the acts of manufacture and sale of infringing products, without more, constitute active inducement or whether additional acts are required. . . . Courts have interpreted acts of inducement exceedingly broadly, despite being modified by the term “active.” . . .

[T]he production and sale of an infringing product knowing that the buyer will sell the product in the United States fit comfortably within [the] expanded definition of inducement as “encouragement” or “aiding and abetting.” While courts have almost always considered factors beyond the manufacture and sale of infringing products, this Court is now confronted with the question because there are no meaningful additional factors to support a finding of inducement should manufacture and sale be insufficient. Finding no authority for limiting the application of § 271(b), the Court holds that the manufacture and sale of a patented product are by themselves sufficient to constitute active inducement under § 271(b).

The cases cited by defendants, which they claim negate this rule, do not. The “mere” in “mere sales” from *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263, 1275 (Fed. Cir. 2004), refers not to the sales but to whether the device in question has substantial non-infringing uses – a topic addressed in a separate section and, the same is true of *Oak Indus., Inc. v. Zenith Electronics Corp.*, 697 F. Supp. 988, 996 (N.D. Ill. 1988). Given that the activities of defendants as sellers of

Travel Sentry locks is undisputed, this fact alone is sufficient to raise a material issue of fact with respect to inducement to infringe on the issue of the level of activity required.

V. DEFENDANTS ARE NOT ENTITLED TO SUMMARY JUDGMENT BASED ON NON-INFRINGEMENT ON THE GROUND THAT TROPP'S PATENTS ARE INVALID.

Defendants have filed, along with this motion based on non-infringement, a companion motion for summary judgment on the ground of patent invalidity. Their brief in support of that motion is 25 pages long, but, evidently, they had even more to say. Therefore they have placed two additional arguments going to invalidity – one concerning priority of invention and another concerning what they claim are substantial non-infringing uses – that are properly part of their non-infringement motion and shoehorned them into what they claim are non-infringement defenses.

First, on page 13 of their brief, they argue that “inducement cannot exist unless there is a valid patent.” (Defs. Br. at 13.) They then recycle their arguments concerning priority of invention and reiterate that because they really believe Tropp’s patents are invalid, that amounts to a belief that it could not be infringed, so they could never have the requisite intent to induce infringement. The first of these points is rebutted at length in Tropp’s opposition brief and his factual submissions made in opposition to defendants’ invalidity motion. The second, including defendants’ gross mischaracterization of the holding in *Commil USA*, has been addressed at length in Section III above.

Secondly, they insert on page 15 of their brief an argument to the effect that because Travel Sentry locks allegedly have substantial non-infringing uses, this further undermines Tropp’s inducement claim. They connect this argument to an intention to infringe – again – by citing two cases (not counting their citation to the vacated decision in *Travel Sentry*). One is *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1364-65 (Fed. Cir. 2003), a completely inapposite case where the court stated that “a **request** to make and sell a drug labeled with a permissible (non-infringing) use cannot reasonably be interpreted as an act of infringement (induced or otherwise) with respect

to a patent on an unapproved use.” *Id.* at 1364-65 (emphasis added). Of more interest is *Fromberg, Inc. v. Thornhill*, 315 F.2d 407 (5th Cir. 1963), which states in a footnote that “The presence or absence of the element of substantial noninfringing use is significant principally in determining whether there is an intention to infringe. The absence of a substantial noninfringing use, of course, warrants the inference of an intention to infringe. As to situations in which intention is clearly established by other evidence, there is some indication that suitability for noninfringing use is no defense.” *Id.* at 415, n.20 (citations omitted). Atop the creaky half-century frame of *Thornberg*, defendants add the factual averment that “locks containing Travel Sentry’s mark are high-quality, functional locks that can be used in a variety of ways other than on airline luggage. These locks can be used in one’s home, on school or gym lockers, or a variety of other uses that have nothing to do with airline travel.” (Defs. Br. at 15.) Interestingly, they do not add that these infringing locks are also useful as paperweights, slingshot missiles and trendy fashion jewelry, which also “have nothing to do with airline travel.”

By this logic, of course, any device can be described as having “substantial” noninfringing uses. But these “uses” are irrelevant with respect to a process patent. Indeed, in the fifty years since *Fromberg* was decided, the dictum cited by defendants has been discussed only once in the body of a reported case, *Oak Indus., Inc. v. Zenith Electronics Corp.*, 697 F. Supp. 988, 994 (N.D. Ill. 1988), which directly addressed the flaw in this reasoning. The *Oak Industries* court explains that § 271(c) “according to one view, codified a traditional patent requirement which recognized that sellers of products capable of noninfringing use may lack the intention necessary for a finding of infringement,” for which it cited *Fromberg*.

Zenith claims that its products performed other functions, such as channel expansion and unscrambling of coded progress, and are therefore capable of substantial noninfringing use. This argument is legally flawed. . .

It is hornbook law that distinctions in the particular apparatus used are irrelevant for determining whether a device is capable of infringing a method patent. *Amstar Corp. v. Envirotech Corp.*, 730 F.2d 1476, 1482 (Fed. Cir. 1984); *International Glass Co.*

v. *United States*, 408 F.2d 395, 400, 187 Ct.Cl. 376 (1969). This rule parallels the patent axiom that mere additions and improvements upon a patented device do not avoid infringement. . . . From these rules it is clear that the addition of channel-expanding and unscrambling functions to the accused devices would not preclude a finding of direct infringement by users of Zenith's converters. The question remains, however, whether the addition of these functions qualified the products so that they were capable of substantial noninfringing use, thereby averting Zenith's liability for contributory infringement. We believe that it has not been conclusively demonstrated that they did not, and that contributory infringement can possibly be established.

...

Let us go back to what we know from the cases, which on occasion require us to interpolate from concepts of patent misuse or copyright. A herbicide seller contributorily infringes if the only use of the material is in a patented method. *Dawson Chemical, supra*. If the manufacturer added a fertilizer as an additional ingredient, could he escape liability for the reason that the fertilizer was a staple? We think not. Perhaps the fertilizer might be helpful in growing some crop where the herbicide is an incidental waste, but the possibility, or even the likelihood, that someone may use it in a noninfringing manner does not protect the manufacturer.

Additional functions in a device that practices a patented method does not diminish direct infringement and, therefore, the fact that the device sold has other functions which are performed simultaneously with the patented method does not otherwise substantiate a noninfringing use for the purposes of § 271(c). This rule flows directly from the logic of the patent laws. To hold to the contrary would allow sellers of products that are clearly intended to infringe a patented method to avert liability simply by adding functions to that device. Therefore, we do not think it enough that Zenith may have combined in the same package several devices: one to suppress VHF interference, one to unscramble signals, and one to expand channels.

Oak Indus., Inc., 697 F. Supp. at 994-95. Here defendants might be heard to say that, unlike the defendant in Zenith, they have not “added functions” to the device in question, i.e., the Travel Sentry lock. On the one hand, this might seem less a useful distinction as grounds for distinguishing the cases than a harmful one. On the other hand, defendants have, in fact, posited “added functions” to a device whose obvious purpose – in manufacturing, promotion and sales – is a matter of extensive record between this and the *Travel Sentry* litigation. The “functions” they posit are both negative – use as plain old padlocks for home, school or gym lockers or by Japanese consumers who lack “understanding” of what a TSA lock can do; or positive (“locks bearing our logo, have come to be recognized by the general public as presenting a lock of quality and excellence”); or neutral (“pad locks with Travel Sentry’s logo can also be used for other types of travel within the

U.S. that does not involve luggage screening by the TSA—such as train or bus travel”). (Defs. Br. at 15-16.)

Not one of these features, however, addresses the fact that making Travel Sentry locks high-quality, or placing a logo on them, or ignoring their infringing qualities does not stop them from being infringing devices when used for the purpose that Travel Sentry obviously intended them to be used – the purpose for which Travel Sentry obviously established its business and for which defendants obviously entered into licensing agreements with Travel Sentry. (Declaration of Joel G. MacMull in Support of Plaintiff’s Opposition to Defendants’ Motions for Summary Judgment dated August 9, 2013 (“MacMull Decl.”) Exhibits (“Ex.”) 3, 6, 5, 10, 12, 17-19, 21-22.) To ask the Court to conclude otherwise, after years of litigation that have made it well aware of what Travel Sentry locks are for, is to insult its intelligence. It is certainly not a basis for summary judgment.

CONCLUSION

For the foregoing reasons, plaintiff respectfully requests the Court deny defendants’ motion in its entirety.

Respectfully submitted,
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