

APPENDIX

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APPENDIX A

NOTE: This disposition is nonprecedential.

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

2016-2634

[Filed September 11, 2017]

PETTER INVESTMENTS, DBA RIVEER,)
<i>Plaintiff-Appellant</i>)
)
v.)
)
HYDRO ENGINEERING,)
<i>Defendant-Appellee</i>)
)
CALIFORNIA CLEANING SYSTEMS,)
<i>Defendant</i>)

Appeal from the United States District Court for the District of Utah in No. 2:14-cv-00045-DB-DBP, Senior Judge Dee V. Benson.

JUDGMENT

STEPHEN M. LOBBIN, One LLP, Newport Beach, CA,
argued for plaintiff-appellant.

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MARK A. MILLER, Holland & Hart LLP, Salt Lake City, UT, argued for defendant-appellee. Also represented by BRETT L. FOSTER.

THIS CAUSE having been heard and considered, it is

ORDERED and ADJUDGED:

PER CURIAM (DYK, LINN, and HUGHES, *Circuit Judges*).

AFFIRMED. See Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

September 11, 2017

Date

/s/ Peter R. Marksteiner

Peter R. Marksteiner

Clerk of Court

APPENDIX B

**IN THE UNITED STATES COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

Case No. 2:14-CV-45-DB

[Filed July 18, 2016]

PETTER INVESTMENTS, INC. d/b/a)
RIVEER, a Michigan corporation,)
Plaintiff,)
)
vs.)
)
HYDRO ENGINEERING, INC., a Utah)
corporation; CALIFORNIA CLEANING)
SYSTEMS, INC., a California company,)
Defendants.)

**ORDER GRANTING DEFENDANTS' MOTION FOR
RULE 54(b) FINAL JUDGMENT, DENYING
DEFENDANTS' MOTION FOR ATTORNEY FEES,
AND DENYING THE REMAINDER OF
PLAINTIFF'S MOTION TO RECONSIDER**

Before the Court are Defendants' Motion for Rule 54(b) Final Judgment [Dkt. 293] and Motion for Attorneys Fees [Dkt. 287]. A hearing was held before the Court on June 29, 2016. Plaintiff was represented by Stephen Lobbin and Mark Ford. Defendants were represented by Mark Miller and Brett Foster. Having

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considered the parties' written and oral arguments and the relevant facts and law, the Court hereby grants Defendants' Motion for Final Judgment and denies Defendants' Motion for Attorneys Fees. The Court also denies the remainder of Plaintiff's Motion to Reconsider [Dkt. 221].

MOTION FOR ENTRY OF FINAL JUDGMENT

Defendants move the Court for entry of final judgment on certain of Plaintiff's causes of action, pursuant to Federal Rule of Civil Procedure 54(b). In a case involving multiple claims and counterclaims, Rule 54(b) provides that the court may "direct the entry of a final judgment as to one or more but fewer than all claims or parties only upon an express determination that there is no just reason for delay. . . ."

An analysis of whether certification of a final judgment under Rule 54(b) is appropriate requires the court: (1) to determine that the order to be certified is final judgment; and (2) to find that there is no just reason for delay. *Stockman's Water Col, LLC v. Vaca Partners, LP.*, 425 F.3d 1263 (10th Cir. 2005) (citing *Old Republic Ins. Co. v. Durango Air Serv., Inc.*, 283 F.3d 1222, 1225 n.5 (10th Cir. 2002); *Oklahoma Turnpike Auth. v. Bruner*, 259 F.3d 1236 (10th Cir. 2001)). The court weighs "Rule 54(b)'s policy of preventing piecemeal appeals against the inequities that could result from delaying an appeal." *Stockman's Water Co.*, 425 F.3d at 1265 (citing *Curtiss-Wright Corp v. General Electric Co.*, 446 U.S. 1, 8; *Oklahoma Turnpike Auth.*, 259 F.3d at 1241)). In doing so, the court considers "whether the claims under review [are] separable from the others remaining to be adjudicated and whether the nature of the claims already determined [are] such

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that no appellate court would have to decide the same issues more than once even if there were subsequent appeals.” *Id.*

On January 9, 2015, the Court entered summary judgment in Defendants’ favor on Plaintiff’s first (infringement of ‘298 patent), fourth (false advertising), fifth (intentional interference with prospective economic relations) and sixth (unfair competition) causes of action. [Dkt. 216]. It also entered partial summary judgment on Plaintiff’s third (infringement of ‘720 patent) cause of action. [Dkt. 216]. Following entry of the Court’s Memorandum Decision and Order on Claim Construction [Dkt. 235], the parties stipulated to summary judgment of non-infringement on Plaintiff’s second (infringement of ‘774 patent) and third (infringement of ‘720 patent) causes of action. [Dkt. 239]. The stipulated judgment was entered by the Court on May 22, 2015. [Dkt. 252]. On June 30, 2015, the Court granted Defendants’ Second Motion for Summary Judgment on Plaintiff’s First Claim (infringement of ‘298 patent), finding no infringement. [Dkt. 253].

The Court finds that its orders granting summary judgment on Plaintiff’s first, second, third, fourth, fifth and sixth causes of action are final judgments. They constitute final adjudications of the merits of claims that are “distinct and separable from the claims left unresolved.” *Oklahoma Turnpike*, 259 F.3d at 1243 (“To be considered ‘final,’ an order must be final in the sense that it is an ultimate disposition of an individual claim entered in the course of a multiple claims action.”).

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There remain in the case, unresolved claims for trademark infringement, tortious interference, trade secret misappropriation, civil conspiracy, and unfair competition (“the remaining claims”).¹ These are scheduled for trial on November 18, 2016.

The resolved claims are independent, both legally and factually, from the remaining claims. All of the patent claims have been adjudicated.² As have all of the causes of action arising out of the two competitive bidding transactions.³ The remaining causes of action do not involve either the patents or the bids upon which the resolved claims were based. The remaining claims arise from different facts and call on different law. They are distinct and separable from the resolved claims. Summary judgment was entered on all of the resolved claims over one year ago.

The Court finds that there is no just reason to delay entry of final judgment on Plaintiff’s first, second,

¹ On November 18, 2015, the Court denied Plaintiff’s motion for summary judgment on Defendants’ claims of trade secret misappropriation, intentional interference with contractual relations, and civil conspiracy. [Dkt. 284]. On January 4, 2016, the Court denied the parties cross-motions related to competing trademark infringement claims. [Dkt. 285].

² These were Plaintiff’s first, second and third causes of action (alleging infringement of Plaintiff’s ‘298, ‘774 and ‘720 patents, respectively), on which judgment was entered in Defendants’ favor. [Dkt. 216, 252, 253].

³ These were Plaintiff’s fourth, fifth and sixth causes of action (for false advertising, intentional interference with prospective economic relations, and unfair competition, respectively) that the Court dismissed on summary judgment [Dkt. 216].

third, fourth, fifth and sixth causes of action. Defendants' Motion for Entry of Final Judgment pursuant to Rule 54(b) is hereby GRANTED.

MOTION FOR ATTORNEYS FEES

Defendants seek an award of their attorneys fees and expenses incurred in defending Plaintiff's patent infringement and false advertising claims. They contend those claims meet the "exceptional" case standard under § 285 of the Patent Act as defined in *Octane Fitness LLC v. ICON Health & Fitness, Inc.*, 134 S.Ct. 1749 (2014).

Section 285 of the Patent Act states that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. The United States Supreme Court, in *Octane Fitness*, defined "an exceptional case" for purposes of § 285 as "one that stands out from others with respect to the substantive strength of a party's litigating position . . . or the unreasonable manner in which the case was litigated." *Id.* at 1756. The determination of whether a particular case is "exceptional" is within the court's discretion and based upon the "totality of the circumstances." *Id.*

Defendants contend that Plaintiffs actions in the course of this litigation make this an exceptional case. Specifically, they argue that Plaintiff's claims were baseless and pursued "in a dilatory manner." They assert that Plaintiff was motivated by "a desire to impose an onerous lawsuit on Defendants" and that Plaintiff demonstrated "bad faith and misconduct by its disregard of the local patent rules." Plaintiff disputes this argument and contends the motion is premature

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given the remaining claims that are pending and scheduled for trial in November 2016.

The Court finds that under the totality of the circumstances, Plaintiff's actions in the course of this litigation do not rise to the level of "exceptional." Defendants' Motion for Attorneys Fees is hereby DENIED.

MOTION FOR RECONSIDERATION OF
SUMMARY ADJUDICATION

Plaintiff moved the Court for reconsideration of its ruling denying Plaintiff's motion for relief under Federal Rule of Civil Procedure 56(d) and granting Defendants' motions for summary judgment and partial summary judgment. [Dkt. 216, 221]. In its Memorandum Decision and Order [Dkt. 253], the Court denied Plaintiff's motion to reconsider its Order granting summary judgment on Plaintiff's first cause of action. The Court hereby DENIES the remainder of Plaintiff's motion for reconsideration.

IT IS SO ORDERED.

DATED this 18th day of July, 2016.

/s/ Dee Benson
Dee Benson
United States District Judge

APPENDIX C

**United States District Court
Central Division for the District of Utah**

Case Number: 2:14cv45 DB

[Filed August 15, 2016]

PETTER INVESTMENTS, INC. d/b/a)
RIVEER, a Michigan corporation,)
Plaintiff,)
)
v.)
)
HYDRO ENGINEERING, INC., a Utah)
corporation; CALIFORNIA CLEANING)
SYSTEMS, INC., a California company,)
Defendants.)

JUDGMENT IN A CIVIL CASE

IT IS ORDERED AND ADJUDGED

that final judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure be entered, granting summary judgment on Plaintiff's first, second, third, fourth, fifth, and sixth causes of action.

August 15, 2016
Date

D. Mark Jones
Clerk of Court

/s/
(By) Deputy Clerk

APPENDIX D

**IN THE UNITED STATES COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

**District Judge Dee V. Benson
Case No. 2:14-CV-00045**

[Filed June 30, 2015]

PETTER INVESTMENTS, INC. d/b/a)
RIVEER, a Michigan corporation,)
Plaintiff,)
)
vs.)
)
HYDRO ENGINEERING, INC., a Utah)
corporation; CALIFORNIA CLEANING)
SYSTEMS, INC., a California company,)
Defendants,)
)

MEMORANDUM DECISION AND ORDER

Before the Court are four motions: Defendant's Second Motion for Summary Judgment on the First Claim for Relief [Dkt 179]; Plaintiff's Motion for Reconsideration of Summary Judgment [Dkt 221]; Plaintiff's Motion Requesting Leave to Serve Amended Final Infringement Contentions [Dkt 236]; and Defendants' Motion for Supplemental Claim Construction [Dkt 243]. A hearing was held before the Court on May 22, 2015 at which these motions were

argued by Stephen Lobbin on behalf of Plaintiff and Mark Miller on behalf of Defendants. Having considered the relevant facts and law, the Court enters this Memorandum Decision and Order.

**I. DEFENDANTS' SECOND MOTION FOR
SUMMARY JUDGMENT ON PLAINTIFF'S
FIRST CLAIM FOR RELIEF**

Background

This case arises from alleged patent infringement by Hydro Engineering, Inc. and California Cleaning Systems, Inc. (“Defendants”) of U.S. Patent 6,164,298 (‘298 Patent) owned by Petter Investments, Inc., d/b/a/ Riveer (“Plaintiff”). Plaintiff and Defendants both operate cleaning systems for equipment and vehicles. Defendants’ device, which allegedly infringes the ‘298 patent, features a wash pad that is an impervious washing surface that directs wash fluid and debris across the surface and over the edge into a side trough for collection and removal. The ‘298 patent claims a modular cleaning system comprising a modular wash rack that features a grate for supporting the item to be washed, which is positioned over a bottom surface acting as a basin for collecting water and debris for removal from the system.

Plaintiff asserts against Defendants four claims of the ‘298 patent: independent Claim 1 and dependent Claims 2–4. Because a finding of non-infringement of the independent claim precludes a finding of infringement of the dependent claims, independent Claim 1 will be considered first.

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Claim 1 from the '298 patent recites:

1. A modular cleaning system comprising:
at least one modular wash rack for supporting an item to be washed, including:
 - a frame having a first wall, a second wall, a third wall, a fourth wall, each wall having an inner and an outer surface, and a bottom surface extending between the inner surfaces of said first, second, third, and fourth walls of said frame to define a basin for collecting water used to clean the item as well as any debris removed from the item;
 - a grate operatively associated with said first, second, third, and fourth walls for supporting an item to be washed above said bottom surface while allowing water and any debris to flow into said basin;
 - a drainage fitting attached to the outer surface of one of said walls so as to allow water collected in said basin to flow out of said drainage fitting, and coupling means for coupling said modular wash rack to another modular wash rack;
 - a tube having a first end connected to said drainage fitting; and
 - a pump for causing water to flow from the basin, through the drainage fitting and through said tube.

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Dependent Claim 4 includes all of the limitations of claim 1, and adds the limitation of a “sloped tray”:

4. The modular cleaning system as defined in Claim 1 and further including a trough adjacent said first wall, said trough having a bottom sloping downward toward said drainage fitting, said frame including a sloped tray, said their wall being opposite said first wall, said sloped tray having its highest point at said third wall and terminating at its lowest point at said trough.

Standard of Review

Summary judgment is proper if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact, and that the moving party is entitled to judgment as a matter of law. *See* Fed.R.Civ.P. 56(c). In applying this standard, the court must construe all facts and reasonable inferences therefrom in the light most favorable to the nonmoving party. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 587, 106 S.Ct. 1348, 89 L.Ed.2d 538 (1986); *Wright v. Southwestern Bell Tel. Co.*, 925 F.2d 1288, 1292 (10th Cir.1991).

Standard for Infringement

An infringement analysis involves two steps. First, the Court must determine the meaning and scope of the patent claims asserted to be infringed. Second, the Court compares the properly construed claims to the device accused of infringing. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed.Cir.1995), *affd*,

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517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577, 38 U.S.P.Q.2d 1461 (1996).

A device may infringe a patented invention by literal infringement or under the Doctrine of Equivalents. For literal infringement of a patent, the accused device must possess *every* claim limitation, as construed by the court. *Laitram Corp. v. Rexnord, Inc.*, 939 F.2d 1533, 1535 (Fed. Cir. 1991). In other words, the claim, as construed, must “read[] on the accused device *exactly*.” *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1331 (Fed. Cir. 2001) (emphasis added). If even one claim limitation is missing from the accused device, there is no literal infringement. *Mas-Hamilton Group v. LaGard, Inc.*, 156 F.3d 1206, 1211 (Fed. Cir. 1998) (citations omitted).

For a device to infringe under the Doctrine of Equivalents, there must exist only “insubstantial” differences between the accused device and the patent claim(s). *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39–40 (1997). Infringement may be found under the Doctrine of Equivalents where the accused device infringes performs substantially the same function, in substantially the same way, to yield substantially the same result as the patented invention. *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950). The Doctrine of Equivalents prevents infringement via “simple acts of copying” or “[u]nimportant and insubstantial substitutes for certain elements.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 731 (2002).

Literal Infringement

The following elements from the '298 patent are in dispute: (i) "frame;" (ii) "bottom surface;" (iii) "grate;" and (iv) "sloped tray." The relevant portion of claim 1 recites:

a **frame** having a first wall, a second wall, a third wall, a fourth wall, each wall having an inner and an outer surface, and
a **bottom surface** extending between the inner surfaces of said first, second, third, and fourth walls of said frame to define a basin for collecting water used to clean the item as well as any debris removed from the item,
a **grate** operatively associated with said first, second, third, and fourth walls for supporting an item to be washed above said bottom surface while allowing water and any debris to flow into said basin,

Claim 4 recites:

The modular cleaning system as defined in claim 1 and further including a trough adjacent said first wall, said trough having a bottom sloping downward toward said drainage fitting, said frame including a **sloped tray**, said third wall being opposite said first wall, said **sloped tray** having its highest point at said third wall and terminating at its lowest point at said trough.

The Court construed the relevant claim terms as follows:

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1. “frame”: “a weight-bearing frame made up of four interconnected walls that define a single enclosed area such that each wall has an inner surface facing toward the enclosed area and an outer surface facing away from the enclosed area.”
2. “bottom surface”: “a surface that fills a horizontal cross-section of the enclosed area and intersects the bottom portion of the inner surfaces of all four frame walls, and which defines a basin for collecting water and debris.”
3. “grate”: “a porous framework of parallel or crossed bars that fills a horizontal cross-section of the enclosed area and engages the top portion of the inner surfaces of all four frame walls.”
4. “sloped tray”: “a slanted tray positioned within the enclosed area at a level above the bottom surface and below the grate.

Petter Investments, Inc. v. Hydro Engineering, Inc., No. 2:14-CV-00045-DB, 2015 WL 1442592, at *2-4 (D. Utah, March 27, 2015). The Court determined that “grate,” as defined in the ‘298 Patent, is a pervious surface which allows debris to pass *through* the grate into the basin. Any other construction would render the “bottom surface . . . *defining a basin* for collecting water used to clean the item as well as any debris removed from the item” mere surplusage. The Defendants’ accused device features an impervious surface and therefore does not possess the limitation from Claim 1 of “grate” as interpreted by this Court in the ‘298 patent. Because the accused device is missing one claim element, the Court need not consider the other elements in dispute. The allegedly infringing

device does not possess every limitation of Claim 1, so there can be no literal infringement. Because a finding of non-infringement of the independent claim precludes a finding of infringement of the dependent claims, this Court finds no literal infringement by the accused device of Claims 1–4 of the ‘298 patent.

Infringement Under the Doctrine of Equivalents

Plaintiff waived the issue of infringement under the Doctrine of Equivalents when it failed to assert it in its infringement contentions. However, given the Court’s construction of “grate,” relative to the accused device’s impervious wash surface, the Court would have found that no reasonable jury could conclude that the accused device performs substantially the same function, in substantially the same way, to yield substantially the same result as the invention in Claims 1–4 of the ‘298 patent.

Defendant’s Second Motion for Summary Judgment is GRANTED on the issues of literal infringement and infringement under the Doctrine of Equivalents.

II. PLAINTIFF’S MOTION FOR RECONSIDERATION OF SUMMARY JUDGMENT ON PLAINTIFF’S FIRST CLAIM FOR RELIEF

In January, 2015, the Court entered summary judgment on Plaintiff’s First Claim for Relief on the basis that it is barred by the doctrine of laches. Plaintiff moves the Court to Reconsider that ruling. Given this Order granting Defendants’ Second Motion for Summary Judgment on the First Claim for Relief, Plaintiff’s motion is moot and therefore DENIED.

**III. PLAINTIFF'S MOTION REQUESTING
LEAVE TO SERVE AMENDED FINAL
INFRINGEMENT CONTENTIONS**

Plaintiff seeks leave to amend its Final Infringement Contentions pursuant to Local Patent Rule (LPR)3.4. LPR 3.4 provides that “[a] party may amend its Final Infringement Contentions . . . only by order of the court upon a showing of good cause and absence of unfair prejudice to opposing parties” Plaintiff argues good cause exists to amend its contentions because it claims that LPR 2.3(d) required it to choose either literal infringement or infringement under the Doctrine of Equivalents at the time it filed its Initial Infringement Contentions. Following discovery and this Court’s claim construction, Plaintiff asserts its theory of infringement with regard to the ‘298 Patent turned from literal to the Doctrine of Equivalents. Plaintiff’s argument is without merit and misconstrues LPR 2.3(d). The Court finds that Plaintiff has failed to show good cause and an absence of unfair prejudice as required by LPR 3.4. Additionally, given the Court’s ruling herein on Defendant’s Second Motion for Summary Judgment on the First Claim for Relief, an amendment of Plaintiff’s Final Infringement Contentions would be futile. The motion is DENIED.

**IV. DEFENDANTS’ MOTION FOR
SUPPLEMENTAL CLAIM CONSTRUCTION**

Defendant requests the Court supplement its construction of the term “grate” to clarify that the word “porous” requires that water and debris fall *through* the washing surface into the basin below. The Court adopted the following construction for the term “grate:” “a porous framework of parallel or crossed bars that

fills a horizontal cross-section of the enclosed area and engages the top portion of the inner surfaces of all four frame walls.” *Memorandum Decision and Order on Claim Construction* [Dkt 235 at p.6]. The Court further explained that “[a] grate that does not allow debris to pass *through* the grate into the basin would render the ‘bottom surface . . . defining a basin for collecting water used to clean the item as well as any debris removed from the item’ an inoperative element of the claim, ie. mere ‘surplusage.’” [Dkt. 235 at p.7]

Plaintiff suggested at the summary judgment hearing on April 29, 2015, that the Court’s use of the term “porous” would include a surface with mere indentations that water could flow off of but not through. In doing so, Plaintiff has attempted to twist the Court’s construction in a way that is contrary to the Court’s intent.

Defendants’ motion is GRANTED and the Court hereby supplements its construction of the term “grate” as follows: “a porous framework of parallel or crossed bars that fills a horizontal cross-section of the enclosed area and engages the top portion of the inner surfaces of all for frame walls and allows the debris to pass through it into the basin.”

CONCLUSION

For the foregoing reasons, Defendants’ Second Motion for Summary Judgment on Plaintiff’s First Claim for Relief is GRANTED. Plaintiff’s Motion for Reconsideration of Summary Judgment on Plaintiff’s First Claim for Relief is DENIED. Plaintiff’s Motion Requesting Leave to Serve Amended Final Infringement Contentions is DENIED. Defendants’

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Motion for Supplemental Claim Construction is
GRANTED.

DATED this 30th day of June, 2015.

BY THE COURT:

/s/ Dee Benson
Dee Benson
United States District Judge

APPENDIX E

**IN THE UNITED STATES COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

**Judge Dee Benson
Case No. 2:14-cv-00045-DB**

[Filed January 9, 2015]

PETTER INVESTMENTS, INC. d/b/a)
RIVEER, a Michigan corporation,)
Plaintiff,)
)
vs.)
)
HYDRO ENGINEERING, INC., a Utah)
corporation; CA CLEANING)
SYSTEMS, INC., a California company,)
Defendants.)

MEMORANDUM DECISION AND ORDER

Before the Court are Plaintiff's Motions for Relief under Federal Rule of Civil Procedure 56(d) and Defendants' Motions for Summary Judgment and Partial Summary Judgment. A hearing was held before the Court on November 21, 2014. Plaintiff was represented by Stephen M. Lobbin. Defendants were represented by Brett L. Foster and Mark A. Miller. Having considered the relevant facts and law, the Court enters the following order denying Plaintiff's

Motions for Relief under FRCP 56(d) and granting Defendants' Motions for Summary Judgment and Partial Summary Judgment. The court also hereby grants Defendants' Motion to Compel with Local Patent Rules 4.1 and 4.2.

PLAINTIFF'S RULE 56(d) MOTIONS

Plaintiff filed motions under Federal Rule of Civil Procedure 56(d), seeking dismissal of, or in the alternative, suspension on the rulings of Defendants' motions for summary judgment and partial summary judgment on the basis that the motions are premature and that Plaintiff requires more time for discovery in order to more fully respond. The Court finds these arguments unpersuasive.

Federal Rule of Civil Procedure 56(d) requires a party seeking to enlarge the discovery period to provide with specificity what additional facts it expects to uncover. Plaintiff filed this lawsuit in the Southern District of California on May 24, 2013. Plaintiff did not seek any discovery during the eight month pendency of the suit. The case was transferred to Utah on January 22, 2014. On June 6, 2014, the court entered a scheduling order setting the phase I fact discovery deadline for December 1, 2014. Defendants provided responses to all of Plaintiff's written discovery and accommodated the one deposition Plaintiff scheduled within the discovery period. Plaintiff has failed to meet the rule's requirement of providing specificity as to what facts it expects to uncover if it is allowed more time to conduct discovery. For these reasons, Plaintiff's Motions for Relief under FRCP 56(d) are hereby DENIED.

**DEFENDANTS' MOTIONS FOR
SUMMARY JUDGMENT**

Defendants seek summary judgment on Plaintiff's first, fourth, fifth and sixth causes of action and partial summary judgment on Plaintiff's third cause of action in the second Amended Complaint. Summary judgment is proper where there is "no genuine issue of material fact for determination, and the moving party is entitled to judgment as a matter of law." *Durham v. Herbert Olbrich GMBH & Co.*, 404 F.3d 1249, 1250 (10th Cir. 2005). When addressing a summary judgment motion, the court is required to "view the facts and draw reasonable inferences in the light most favorable to the party opposing the summary judgment." *Cavanaugh v. Woods Cross City*, 625 F.3d 661, 662 (10th Cir. 2010).

A. First Cause of Action

Plaintiff's complaint alleges that Defendants' Hydropad design infringes Plaintiff's '298 patent under 35 U.S.C. section 271. Plaintiff and Defendants are engaged in the business of making and selling portable wash pad systems. As competitors in a small specialized industry, they regularly bid against each other on projects. Both companies have been awarded patents on the designs of their products. Plaintiff was awarded two patents covering its portable grate/basin wash pad design in the year 2000: U.S. Patent No. 6,021,792 ("the '792 patent") entitled "Modular Cleaning Facility"; and U.S. Patent No. 6,164,298 ("the '298 patent") also entitled "Modular Cleaning Facility" and specifically for the use of a "grate" over a collection "basin for collecting water." The '792 patent is the parent of the '298 patent, and the two patents share

the same specification, including drawings and description, and the same patent term.

In 2007, Plaintiff filed a complaint against Defendants in the Western District of Michigan, alleging infringement of Plaintiff's '792 patent. *Petter Investments, Inc. v. Hydro Engineering, Inc.*, Case No. 1:07-cv-1033 (the "Michigan case"). Plaintiff did not allege a violation of the '298 patent. It did, however, rely on its '298 patent to support its invalidity defenses against Defendants' patent infringement claims and also produced several copies of the '298 patent during discovery.

The Michigan District Court entered summary judgment in Defendants' favor on all issues of liability and found as a matter of law that Defendants' Hydropad does not infringe the '792 patent claims. Thereafter, the parties entered into a settlement agreement that resolved all remaining issues in the Michigan case.

Four years later, in 2013, and more than twelve years after the '298 patent was granted, Plaintiff filed a complaint commencing the present action alleging that Defendants' Hydropad wash pad system infringes the '298 patent. Defendants have moved for summary judgment on this claim on the basis that it is barred by the doctrine of laches.

Laches bars a claim where: (a) the plaintiff unreasonably delayed in asserting the claim, and (b) the defendant was materially prejudiced by that delay. *A. C. Aukerman Co. v. R.L. Chaiedes Constr. Co.*, 960 F.3d 1020, 1029, 1031, 1039-41 (Fed. Cir. 1992)(en banc). The laches defense is intended to "prevent

patentees from ‘intentionally [lying] silently in wait watching damages escalate, particularly where an infringer, if he had notice, could have switched to a noninfringing product.’” *A.C. Aukerman*, 960 F.2d at 1033.

A patentee has a duty to police its rights-especially when it has already been put on notice of potential infringement. *See Wanlass v. General Elec. Co.*, 148 F.3d 1334, 1338 (Fed. Cir. 1998). When the accused infringer’s activities are “pervasive, open, and notorious” in the same industry as the patentee, then the patentee at least should have known of the activity and its claim against the activity. *See, e.g., Hall v. Aqua Queen Mfg, Inc.* 93 F.3d 1548, 1553-55 (Fed. Cir. 1996).

“A presumption of laches arises where a patentee delays bringing suit for more than six years after the date the patentee knew or should have known of the alleged infringer’s activity.” *A.C. Aukerman*, 960 F.2d at 1028, 1037. *See also, Wanlass*, 148 F.3d at 1337. Once the laches presumption is established, the patentee’s unreasonable delay and material prejudice to the accused infringer “must be inferred, absent rebuttal evidence.” *A.C. Aukerman*, 960 F.2d at 1036.

A patentee can rebut the presumption of laches “‘by offering evidence to show an excuse for the delay or that the delay was reasonable’ or by offering evidence ‘sufficient to place the matters of prejudice . . . genuinely in issue.’” *Serdarevic v. Advanced Medical Optics, Inc.*, 532 F.3d 1352, 1359-60 (Fed. Cir. 2008)(quoting *A.C. Aukerman*, 960 F.2d at 1038).

In determining whether a claim is barred by laches, a court is to balance “all pertinent equities,” including “the length of delay, the seriousness of prejudice, the reasonableness of excuses, and the defendant’s conduct or culpability.” *A.C. Aukerman*, 960 F.2d at 1034; *see also Gasser Chair*, 60 F.3d at 773, 775-76.

The undisputed facts in the record establish that Plaintiff knew Defendants were selling wash pads at least as of the year 2000, when the parties exchanged multiple letters that included pictures of Defendants’ wash pads and advertisements describing their features. During this same time Plaintiff prosecuted the ‘298 patent, which issued Dec. 26, 2000. Upon its issuance, Plaintiff knew, or should have known of its potential ‘298 patent claim against Defendants’ wash pads.

Instead of pursuing its claim, however, Plaintiff waited for over 12 years to file the present case alleging infringement of the ‘298 patent. That delay is more than double the six-year presumptive period the law establishes.

Plaintiff argues that its delay in bringing this cause of action is justified for three reasons: (1) Plaintiff was involved in other litigation, specifically; the Michigan case; (2) Plaintiff lacked financial resources to bring this claim earlier; and (3) Defendants have made changes to their design that now infringe patent ‘298. This Court is not persuaded by either of the first two assertions given that the Michigan case involved the same parties and the same products and the parent of patent ‘298 that has the same specifications. Given the similarities of the claims, it is unreasonable to suggest that a twelve-year delay was necessary or reasonable.

Regarding its third assertion, while Defendants acknowledge they have made minor changes to their wash pads over the years, the undisputed facts establish that these changes do not relate to any element of the '298 patent claims. *See Acumed v. Stryker Corp.*, 525 F.3d 1319, 1327 (Fed. Cir. 2008). Minor differences having no effect on the accused operation of the devices are merely colorable. *See, e.g., id; Hako-Med USA, Inc., v. Axiom Worldwide, Inc.*, 2010 WL 4448824, *4 (D. Haw. Oct. 29, 2010 aff'd, 424 F. App'x 961 (Fed. Cir. 2010) *D-Beam v. Roller Derby Skate Corp.*, 316 F.App'x 966, 969 (Fed. Cir. 2008). Even assuming the changes were more than de minimis, the law does not require that the products be exactly the same, only that they be "essentially the same." *See, e.g., id; Acumend*, 525 F.3d at 1325.

Plaintiff's unreasonable delay has materially prejudiced Defendants. Economic prejudice arises where a defendant "will suffer the loss of monetary investments or incur damages which likely would have been prevented by earlier suit." *Gasser Chair Co., v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 774 (Fed. Cir. 1995)(citing *A.C. Aukerman*, 960 F.2d at 1033); *accord State Contracting & Eng'g Corp. v. Cordotte Am., Inc.*, 346 F.3d 1057, 1066 (Fed. Cir. 2003). Had Plaintiff promptly filed suit, Defendants could have altered their design development and refinements. Instead, during the twelve years that Plaintiff waited to bring this claim, Defendants expanded their wash pad business operations, purchased additional supply and manufacturing facilities, upgrading their equipment, and worked on improvements. Further, Defendants invested resources in successfully defending their wash

pads against Plaintiff's infringement claims in the Michigan case.

This Court finds, based on the undisputed facts in the record, that Plaintiff's delay in bringing this cause of action is unreasonable, that Defendants have been materially prejudiced by the delay, and it is therefore barred by the doctrine of laches. Defendants' Motion for Summary Judgment on Plaintiff's First Cause of Action is hereby GRANTED.

B. Plaintiff's Third Cause of Action

Defendants also move this court for partial summary judgment on Plaintiff's claim that Defendants' website advertising infringes Plaintiff's U.S. Patent No. 8,506,720 ("the '720 patent") by offering to sell an infringing product, specifically a wash rack referred to as a Skid Steer Side Trough ("SSST"), in violation of 35 U.S.C. section 271(a). "[W]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent." 35 U.S.C. section 271(a).

Plaintiff contends that two aspects of Defendants' website constitute offers to sell the SSST: (1) an image of an SSST that was on Defendants' website in the past; and (2) a link to a 2010 Press Release mentioning the SSST. The issue presented here is whether either the image or the press release link on Defendants' website constituted an offer to sale a SSST after the '720 Patent issued on August 13, 2013.

The undisputed facts establish that Defendants displayed a picture of an SSST on their website

beginning in or about 2010 and removed it when Plaintiffs '720 patent issued on August 13, 2013. In July, 2009, three years before the '720 patent issued, Defendants authored a press release discussing several of their innovations, including one sentence mentioning an SSST. The press release did not appear on Defendants' website. Instead, a link to it appeared as the last of eleven links on one of their web pages. The non-descript link was left on the website as an oversight, after the '720 patent issued, but was immediately removed upon learning of it.

Neither the picture nor the press release contained any pricing information, specifications, or other terms of sale for a SSST. Defendants' vice president testified in his deposition that they had no intention to offer the SSST for sale after the patent issued, nor did they have any customers interested in purchasing one. It is undisputed that since the issuance of the '720 patent, Defendants have not made, used, or sold a SSST.

Regarding the image of the SSST on Defendants' website, in order to assert infringement a patent must exist. *Gayler v. Wilder*, 51 U.S. 477, 493 (1850). Infringement can only occur "during the term of the patent." 35 U.S.C. section 271(a). The term of the '720 patent began when it issued on August 13, 2013. The undisputed facts establish that the SSST image first appeared on Defendants' website in or about 2010 and was removed when the '720 patent issued. Therefore, the image cannot be considered an infringement of the '720 patent.

With regard to the press release, in construing the phrase "offer to sell" when interpreting section 271, courts have defined liability for an "offer to sell"

“according to the norms of traditional contractual analysis.” *Rotec Indus. v. Mitsubishi Corp.*, 215 F.3d 1246, 1255 (Fed. Cir. 2000). Accordingly, an actionable offer to sell exists where a defendant has “communicated a ‘manifestation of willingness to enter into a bargain, so made as to justify another person in understanding that his assent to that bargain is invited and will conclude it.’” *Id.*, 215 F.3d at 1257 (quoting Restatement (Second) of Contracts section 24 (1979)). See, e.g., *Eli Lilly & Co. v. Medtronic Inc.*, 915 F.2d 670, 673 (Fed. Cir. 1990); *McElmurry v. Arkansas Power & Light Co.*, 995 F.2d 1576, 1583 (Fed. Cir. 1993). On the other hand, a communication by a defendant that describes the allegedly infringing materials but does “not contain any price terms . . . on its face . . . cannot be construed as an ‘offer’ which [the offeree] could make into a binding contract by simple acceptance.” *MEMC Electronic Materials, Inc. v. Mitsubishi Materials Silicon Corp.*, 420 F.3d 1369, 1376 (Fed. Cir. 2005). See also *Superior Industries v. Thor Global Enterprises*, 700 F.3d 1287, 1290 (Fed. Cir. 2013).

The Court finds that based on the undisputed facts, no reasonable jury could find that either the image or the press release link constituted an offer to sell. Defendants’ Motion for Partial Summary Judgment on Plaintiff’s Third Claim for Relief is hereby GRANTED.

C. Fourth, Fifth and Sixth Causes of Action

Plaintiff’s complaint also alleges false advertising, intentional interference with prospective economic advantage and unfair competition under both state and federal law. These three causes of action allegedly arise out of two competitive bidding transactions with the

United States Military. Plaintiff claims that Defendants misrepresented the nature of their products when they submitted their bid to supply the Marine Corps with wash rack systems. Plaintiff also claims that Defendants submitted a bid to the U.S. Army “knowing that it did not meet the specifications” of the Army’s solicitation.

A false advertising claim, whether brought under the Lanham Act, the California False Advertising Law or the Utah Truth in Advertising Act, prequires proof of a false or misleading statement of fact. *See, e.g., Zoller Laboratories v. NBTY, Inc.*, 111 Fed.App’x. 978, 982 (10th Cir. 2004); Cal. Bus. & Prof. Code section 17500; *Momenta, Inc. v. Seccion Amarilla*, 2009 WL 1974798 at *3 (N.D.Cal.2009); Utah Code Ann. Section 13-11a-3. Likewise, Plaintiff’s claim for intentional interference with economic relations as alleged requires proof that Defendants used “improper means” such as “deceit or misrepresentations.” *St. Benedict’s Dev. Co. v. St. Benedict’s Hospital*, 811 P.2d 194, 201 (Utah 1991). *See, e.g., Anderson Development Co. v. Tobias*, 116 P.3d 323, 331 (Utah 2005); *Settimo Associates v. Environ Systems, Inc.*, 14 Cal. App.4th 842, 845 (Cal.App. 1993); *San Jose Construction v. S.B.C.C. Inc.*, 155 Cal.App.4th 1528, 1544-45 (Cal.App.2007). Finally, Plaintiff’s claim for unfair competition requires proof of a misrepresentation concerning a party’s good or wares. *See* Utah Code Ann. Section 13-5-8; Cal. Bus. & Prof. Code section 17200.

Therefore, in order to successfully assert these causes of action, Plaintiff must present evidence that Defendants made a false or misleading representation

regarding their products in their bids. Plaintiff has failed to do so. Rather, Plaintiff has asserted nothing more than the mere possibility that a misrepresentation may have been made. The Court finds that Plaintiff lacks any facts sufficient to support these causes of action and therefore, Defendants' Motion for Summary Judgment on Plaintiff's Fourth, Fifth and Sixth Claim for Relief is hereby GRANTED.

MOTION TO COMPEL

Defendants filed a motion to compel Plaintiff to comply with Local Patent Rules 4.1 and 4.2. Specifically, Defendants ask that Plaintiff be required to: (1) provide the proposed terms Plaintiff argues must be construed, together with proposed construction of those terms pursuant to LPR 4.1; and (2) file a cross-motion for claim construction pursuant to LPR 4.2. Plaintiff asserted that no claim construction is necessary and that the rules do not require it to file a motion. The parties argued this motion to compel before the Court at the November 21, 2014 hearing. Since that time, both parties have filed their motions for claim construction, although Plaintiff reserved its right to object to being required to do so under the Local Rules. The Court disagrees with Plaintiff's objection and Defendants' Motion to Compel Plaintiff to Comply with LPR 4.1 and 4.2 is hereby GRANTED.

January 7, 2015.

BY THE COURT:

/s/ Dee Benson

Dee Benson

United States District Judge

APPENDIX F

NOTE: This disposition is nonprecedential.

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

2016-2634

[Filed October 25, 2017]

PETTER INVESTMENTS, DBA RIVEER,)
<i>Plaintiff-Appellant</i>)
)
v.)
)
HYDRO ENGINEERING,)
<i>Defendant-Appellee</i>)
)
CALIFORNIA CLEANING SYSTEMS,)
<i>Defendant</i>)

Appeal from the United States District Court for the District of Utah in No. 2:14-cv-00045-DB-DBP, Senior Judge Dee V. Benson.

ON PETITION FOR PANEL REHEARING

Before DYK, LINN, and HUGHES, *Circuit Judges*. PER CURIAM.

App. 34

O R D E R

Appellant Petter Investments filed a petition for panel rehearing.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The mandate of the court will issue on November 1, 2017.

FOR THE COURT

October 25, 2017
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court