

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

DAVID A. TROPP,

Plaintiff,

v.

EAGLE CREEK, INC., CONAIR CORPORATION,  
BROOKSTONE, INC., BRIGGS & RILEY  
TRAVELWARE LLC, BROOKSTONE, INC.,  
DELSEY LUGGAGE INC., EBAGS, INC.,  
FORTUNE BRANDS, INC., HP MARKETING  
CORP. LTD, L. C. INDUSTRIES, LLC, OUTPAC  
DESIGNS INC., MAGELLAN'S INTERNATIONAL  
TRAVEL CORPORATION, SAMSONITE  
CORPORATION, TITAN LUGGAGE USA,  
TRAVELPRO INTERNATIONAL INC, TUMI, INC,  
VICTORINOX SWISS ARMY, INC., and  
DEFENDANT WORDLOCK, INC.,

Defendants.

Civil Action No.

1:08-cv-04446 (ENV) (RLM)

**PLAINTIFFS' MEMORANDUM OF LAW IN OPPOSITION TO THE MOTION BY  
CERTAIN DEFENDANTS FOR A STAY OF PROCEEDINGS**

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## PRELIMINARY STATEMENT AND STATEMENT OF FACTS

Plaintiff David Tropp submits this memorandum of law in opposition to the motion by the Moving Defendants<sup>1</sup> to stay this action pending the resolution of *Travel Sentry, Inc. v. Tropp*, 1:06-cv-06415 (the “Travel Sentry Action”) in this Court. The procedural facts as set out in the Moving Brief of the Moving Defendants are adopted here for purposes of this motion. Mr. Tropp opposes this motion because his patents, U.S. Patent Nos. 7,021,537 and 7,036,728, are presumptively valid pursuant to 35 U.S.C. 282, and he is entitled to pursue claims for their infringement. Contrary to the claims of the Moving Defendants, the case law favors maintenance of this litigation. Virtually all the cases cited by them are based on materially inapposite facts, especially as to the key issues of party identity in the respective cases. The Moving Defendants also misstate the relevant considerations when analyzing the stages and filing dates of the earlier- and later-filed case. Furthermore, the equities and balancing of harms firmly favor a denial of the stay.

## ARGUMENT

### **I. PLAINTIFF IS PRESUMPTIVELY ENTITLED TO PROSECUTE HIS CLAIMS, WHILE THERE IS SCANT AUTHORITY FOR THE STAY SOUGHT BY THE MOVING DEFENDANTS.**

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David Tropp’s patents are presumptively valid pursuant to 35 U.S.C. 282, and he is entitled to pursue claims for their infringement in this Court. Nothing has occurred in this case, nor in the Travel Sentry Case, that affects his patents’ presumptive validity. Nor does adversary counsel’s view of the merits of the dispute. As demonstrated below, the Moving Defendants’ citation of authority to suggest the contrary is selective and incomplete, and should be rejected by the Court.

The Moving Defendants state the premise of their entitlement to a stay backwards. Contrary to their assertion, it is not enough that an earlier-filed litigation “could” affect the litigation sought to be stayed—especially when there is a very good chance that it “could not.” Rather, a patent

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<sup>1</sup> Conair Corporation, Brookstone, Inc., Briggs & Riley Travelware LLC, Delsey Luggage Inc., eBags, Inc., Eagle Creek, a division of VF Outdoor, Inc., Master Lock Company, LLC, HP Marketing Corp., Magellan’s International Travel Corporation, Samsonite Corporation, Titan Luggage USA, Travelpro International, Inc., Tumi, Inc., TRG Accessories, LLC, and Wordlock, Inc.

owner is **presumed** to have the right to enforce his patent rights in litigation. In denying a similar application, the Northern District of Illinois in *Abbott Laboratories v. Baxter Healthcare Corp.* 2004 WL 1878291 (N.D.Ill.,2004) put the issues here in the proper perspective, relying on both statutory authority and precedent out of the Federal Circuit:

Defendant has also moved . . . to stay this case pending the outcome of case no. 01 C 1867, which involves infringement of the '176 patent. Defendant claims that certain facts from case no. 01 C 1867 could have a collateral estoppel effect on issues in this case, and that invalidity, unenforceability and claim indefiniteness issues regarding the '176 patent will “most assuredly” place issues with respect to the '492 and '859 patents into “much sharper relief.” These are weak arguments, at best, as issued patents are presumed valid per 28 U.S.C. § 282, regardless of the validity of related patents, and clear and convincing evidence is required to show otherwise. *See Dana Corp. v. Am. Axle & Mfg., Inc.*, 279 F.3d 1372, 1375 (Fed.Cir.2002) (noting that presumption of patent validity can only be overcome by clear and convincing evidence); *Enzo Biochem, Inc. v. Calgene, Inc.*, 188 F.3d 1362, 1379 (Fed.Cir.1999) (“While evidence of invalidity regarding the claims of one patent may certainly apply to those of another, a party may not avoid its burden of proof by making a blanket statement that its proofs with respect to one patent apply to another and not provide a formal analysis as to why that is true.”) . . . The resolution of case no. 01 C 1867 will not necessarily resolve the issues involved here. Accordingly, the motion to stay is denied.

Similarly, In *In re Bingo Card Minder Corp.*, 152 F.3d 941 (Table) (Fed. Cir. 1998), the Federal Circuit refused to issue a writ of mandamus dismissing an infringement action in the District of Nevada following a reexamination by the Patent and Trademark Office of one of the patents that was a subject of the litigation. Upon reexamination, one of the patents in suit was declared unpatentable over prior art. The patentee appealed to the Board of Patent Appeals and Interferences, and defendant sought a dismissal. The district court, however, ruled that until all appeals were exhausted, the patent remained presumptively valid. *Id.* at \*1. The Federal Circuit agreed, *id.* at \*2:

While we acknowledge Bingo Card's argument concerning the preservation of judicial resources with regard to a continued stay of the district court proceedings, we agree with Fortunet that the district court has jurisdiction over the infringement action. Before the courts, a patents are presumed valid and it remains so until “it is no longer viable as an enforceable right.”

Ignoring these basic principles, the Moving Defendants cite a slew of cases, mainly very old

ones, but do not address these fundamental issues. The first case they cite, and presumably by virtue of that place of honor the one they consider their strongest, is *Consolidated Aluminum Corp. v. Hi-Tech Ceramics, Inc.*, 1988 WL 32213 (W.D.N.Y., April 01, 1988). In *Consolidated*, the court did stay a case pending resolution of the question of the validity of the patents in an earlier-filed one. But the Moving Defendants say little about the reasoning behind that court's ruling, on which they ask this Court to rely in granting the stay. It is no wonder. Citing *Blonder-Tongue v. University Foundation*, 402 U.S. 313 (1971) for the proposition that if a patent is found invalid, subsequent litigation based on its patents is collaterally stopped, the court continued, *id.* at \*1:

It is true, as the plaintiff asserts, that *Blonder-Tongue v. University Foundation, supra*, can not be invoked until there is a final decision of invalidity and that there is no reason to expect such a finding there. The plaintiff further claims that a stay should not be issued when there is not an imminent date for trial in the other proceeding. The other action was tried between February 2 and March 14, 1988 by a Magistrate acting as a Special Master. A decision by the Magistrate will be forthcoming but a date for said decision is not known. This Court is aware that there may well be some review of the Magistrate's findings. This Court is of the opinion that to stay the proceedings here, while awaiting a decision in the Northern District of Illinois, would work a valuable conservance of this Court's and others' time and effort.

The quoted passage in *Consolidated Aluminum*, despite how the court actually rules, completely undermines the decision's applicability to this case. First, the court acknowledges that there is a critical legal difference between real collateral estoppel and hoped-for collateral estoppel, and that this militates **against** granting a stay. Furthermore, as this passage explains, the trial in the earlier proceeding had **already taken place** and procedurally nothing else would occur prior to a dispositive ruling. In contrast, here there is not only a pending *Markman* motion, but the closest thing to a "disposition" the Moving Defendants can assert is their promise to make summary judgment motions following the ruling which they assume, groundlessly, will be favorable. Such motions may or may not be granted, in whole or in part, at some time that is unknown right now to all concerned; and a trial could well follow that, at some indefinite point in the future. In all

meaningful respects the procedural posture in *Consolidated Aluminum* and that of the parties here could hardly be more disparate. While ultimately the *Consolidated Aluminum* court does not actually explain why, after reciting a number of factors that would suggest the opposite outcome in the above selection, it simply concludes that a stay “would work a valuable conservance of this Court's and others' time and effort.” See, *Getty Petroleum Corp. v. Bartco Petroleum Corp.*, 858 F.2d 103, 112 (“a *sub silentio* holding is not binding precedent”). But the fair inference is that the court anticipated a relatively prompt, final ruling in the prior case. There is no basis to assert the same thing here.

Though the 1960 case of *Trumatic Mach. & Tool Co. v. O. M. Scott & Sons Co.*, 180 F.Supp. 838 (S.D.N.Y. 1960) cited in the Moving Brief is about judicial economy, and collateral estoppel, the facts may seem analogous to those here. There the patentee sued the distributor of an allegedly infringing device; the manufacturer sued the patentee for a declaratory judgment of non-infringement and invalidity; and the outcome of the earlier action would be binding upon both the manufacturer as well as patentee. A stay of the later case was sought. Here, however, the similarities end, as does the applicability of *Trumatic* to this case, for the ruling in *Trumatic* was expressed by this Court as follows: “There is no reason why this already overburdened court should have to try the same issue **between the same parties** when a previously instituted action in Ohio will be dispositive of the issues.” *Id.* at 840 (emphasis added). The Moving Defendants make no mention of the central importance of the legal identity of the parties to the *Trumatic* decision. And it is central; the only case located by plaintiff that cites *Trumatic*, *General Tire & Rubber Co. v. Isocyanate Products, Inc.*, 270 F.Supp. 868 (D.C. Del. 1967), does so precisely for the proposition that a stay may issue where two cases involve the same real party in interest. *Id.* at 869, n.1.

In fact, unlike here, the plaintiff in *Trumatic* acknowledged that it had “assumed responsibility for that [first] suit and [was] paying the costs of that suit and controlling the defense

of the suit.” *Id.* at 839. Thus Trumatic was the “real party in interest” in both cases. *Id.* at 840. As a result, the second lawsuit was the **same** lawsuit, only in mirror image, of the first. It involved not only (1) the same patent but (2) the same parties at (3) the same stage of litigation. Under these circumstances, continuation of the second case was, indeed, “a waste of judicial time and an unfair expense burden upon the parties to have two actions pending, one in Ohio and the other in New York, both to decide the same issue relating to the same patent.” *Id.* at 840-41.

Here, in contrast, there has been no submission, representation or suggestion that the defense of all the Moving Defendants, much less all the defendants, is being paid for and controlled by Travel Sentry, the declaratory judgment plaintiff in the Travel Sentry Action. In fact, not only the parties not identical in interest—they are not even **aligned** in interest. This is not a mere technical point. Indeed, it is far from clear how the Moving Defendants benefit, besides by gaining a delay of a fixing of their liability, by relying on the submissions and litigation positions of Travel Sentry, Inc. in the Travel Sentry Case, which does not only involve a claim of patent invalidity but also of non-infringement. Regarding the latter, Travel Sentry Inc.’s essential defense is that “Travel Sentry . . . does not make, offer for sale, sell, or distribute any locks. It merely offers licenses to lock and luggage manufacturers and distributors to use Travel Sentry’s trademark on the products.” Berk Aff. Exh. 7. Defendants in this case, of course, are the very “lock and luggage manufacturers and distributors” to whom Travel Sentry is pointing its fingers in that submission.

Indeed, far from being the real party in interest in this litigation, Travel Sentry Inc.’s only “interest” here is in providing just enough defense—via the law firm representing it in the Travel Sentry Action, and which prepared the motion papers here—to push off the inevitable claims for contribution and indemnification, among other likely claims, that the defendants in this action are certain to bring against Travel Sentry, Inc. at some point in the event this action proceeds. The logic of this survival tactic may be comprehended, and the compromise of their litigation positions

by defendants may be a gamble they are prepared to take. But this is hardly an appropriate basis to stay a prima facie meritorious claim by a patentee against the very defendants that Travel Sentry, Inc. suggests are the only possible infringers of David Tropp's patents.

All this only serves to underscore the fact that, unlike in *Trumatic*, the two actions being compared here are far from being mirror images as to the parties. Furthermore, while it is not dispositive, the cases are at radically different stages—a factor which, contrary to the suggestion of the Moving Defendants, favors Mr. Tropp's presumptive right to proceed with this litigation, not the granting of the stay, as discussed in Section II. This distinction between *Trumatic* and the case at bar also demonstrates why *Trumatic* does not address collateral estoppel: The cases were filed, for all practical purposes, at the same time. The decision strikes a blow merely against simultaneous duplication of judicial effort and resources in identical, contemporaneous proceedings.

In fact, in *Trumatic*, unlike here where the patentee is defendant in the Travel Sentry Action, the **first** lawsuit was filed by the patentee himself against a distributor of the infringing product. That suit is analogous to this action. Then, unlike here, the allegedly infringing manufacturer brought the **second** lawsuit, which is analogous to the Travel Sentry Action. These distinctions cannot merely be mixed and matched. Indeed, while *Trumatic* does not address “what was really going on” explicitly, the caption tells the tale: *Trumatic* is “a New York corporation.” In other words, there the lawsuit in New York was an attempt by *Trumatic* to wrest control of the litigation so it could litigate in this District, where it did business, instead of Ohio, where Scott, the plaintiff in the first case, was located. Here, in contrast, both cases are before the same District Judge; no jurisdictional or venue arbitrage is being attempted by the plaintiff here.

The other cases relied on by the Moving Defendants are similarly inapposite. In *Piedmont Shirt Co. v. Snap-Tab Corp.*, 236 F. Supp. 975 (S.D.N.Y. 1964), as in *Trumatic* but not as here, the parties in interest in both cases were deemed legally identical and the issue was the application of

the “first to file rule” to the complex procedural facts there. *Id.* at 977. Also akin to the facts in *Trumatic*, in *Piedmont Shirt* the “back story,” and the motivation for the second filing, was—unlike here—the plaintiff’s displeasure with the forum of the first-filed action. *Id.* at 978 (“Piedmont filed suit in this District because it claimed that it could not receive adequate relief in South Carolina”).

Similarly, in *Gassaway v. Bus. Mach. Sec.*, Civ. Action No. 88 00869 WMB (GHK), 1988 U.S. Dist. LEXIS 16064 (C.D. Cal. May 3, 1988), also cited by the Moving Defendants, not only was the manufacturer in the first case providing as defense to the defendant in the second case pursuant to Cal. Commercial Code § 2312, which is not the case here. In addition, the dispute was largely over which of two judicial districts was the appropriate venue for the case, with plaintiffs in the later-filed case plainly stating that they preferred the Central District of California in part because “the validity of this patent was previously litigated before another judge in this district.” Furthermore, as in *Trumatic*, and unlike here, the two cases had been filed within a month of each other. And in *Honeywell Intern. Inc. v. Audiovox Communications*, 2005 WL 2465898 (D. Del. 2005) May 18, 2005, the court granted a limited stay in an action against distributors in an infringement case in favor of a simultaneously-filed case against the manufacturer. Not only was the procedural setting in *Honeywell* immensely more complex than that here, but, again, both cases were in their earliest stages and would have been entirely redundant.<sup>2</sup>

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<sup>2</sup> Unfortunately, the larding of the Moving Defendants’ brief with string cites of inapposite cases necessitates at least brief consideration of each of them and a demonstration of why they are materially distinguishable. In *Shikler v. Weinstein*, 105 F.Supp. 48 (S.D.N.Y. 1952), all the parties in the second-filed case were parties in the earlier-filed case; that is not the case here. *Takeda Pharmaceuticals Co. Ltd. v. Sandoz, Inc.*, 2007 WL 2936208 (S.D.N.Y. 2007) at \*1 October 09, 2007 bears no similarity whatsoever to the instant case; the stayed case was merely added to an extensive list of identical patent infringement cases by one patentee against various pharmaceutical manufacturers, **all of which were already consolidated and stayed** “so that the parties could revisit their claims closer to the expiration” of one of the patents in suit at a future date. Finally, the court in *Ivax Pharmaceuticals, Inc. v. AstraZeneca AB*, 2008 WL 4056518 (D.N.J. 2008) (August 28, 2008) did indeed grant a stay based on the possibility that the outcome of litigation over one patent, already in progress, could affect the outcome of the second case, which would have

## **II. THE ADVANCED STAGE OF THE TRAVEL SENTRY ACTION MILITATES AGAINST A STAY, NOT IN FAVOR OF IT.**

Among the many cases cited by the Moving Defendants, demonstrated in the previous section to be consistently inapposite to the facts here, is *Shikler v. Weinstein*, 105 F.Supp. 48, whose applicability the Moving Defendants highlight because a patent case was stayed where a previous action had been filed “three days earlier” (emphasis in original). The Moving Defendants argue that if a court will issue a stay only three days into the litigation of the first case, *a fortiori* it should issue a stay when the earlier case has been litigated for over two years and, as described in their moving brief, the plaintiff in the Travel Sentry Action “have engaged in exhaustive discovery . . . served and answered numerous interrogatories . . . exchanged nearly 9,000 documents, and obtained testimony from a total of 17 deponents.” Moving Brief at 2-3. In fact, the equities, the case management logic, and the prejudice considerations all cut in precisely the opposite direction from that suggested by the Moving Defendants, as demonstrated below, and for that reason no stay should issue here.

In fact, courts routinely hold that, to the contrary, where one case or Patent Office interference proceeding is well advanced and a subsequent, related case is filed involving the same patent, a stay is inappropriate. In *Amersham Intern. v. Corning Glass Works*, 108 F.R.D. 71, 72 (D.C.Mass. 1985), for example, the court denied a stay in the face of a potentially dispositive ongoing interference and rejected arguments similar to those made by the Moving Defendants here

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implicated the launching of an entirely new multimillion-dollar patent infringement action that could have been avoided. But this is not an *a fortiori* argument that implicates a similar result here. Rather, it is a demonstration that the facts of *Ivax* are irrelevant to this case. Particularly in complex cases involving multiple patents and related patents, courts have found that a stay would result in simplification. *Pegasus Development Corp., et al. v. Directv, Inc., et. al*, No. 00-1020-GMS, 2003 U.S. Dist. LEXIS 8052, at \*6 (D.Del. May 14, 2003). Indeed, there is only one patent case here, and, as demonstrated below, no reason to revisit any of the litigation that has already occurred in the Travel Sentry Action.

(footnotes omitted):

In its cogent memorandum, Corning contends that the interference proceeding encompasses the heart of the infringement claim. The interference will determine whether Amersham's or Corning's patent has priority. Consequently, if the patent office finds in favor of Corning, then Amersham would no longer hold a valid patent, making the present action moot. Therefore, Corning asserts it would be duplicitous, expensive, and an unnecessary waste of judicial resources to continue this action while the issue is pending before the government agency specifically trained in this area.

Despite these considerations, defendant has failed to overcome the heavy burden required to sustain a stay motion. “[T]o be entitled to a stay, a party must demonstrate a clear case of hardship if there is a danger that the stay will damage the other party.” *Austin v. Unarco Industries*, 705 F.2d 1, 5 (1st Cir.1983), citing *Landis v. North American Corp.*, 299 U.S. 248 (1936).

In the case *sub judice*, plaintiff is in the clear danger of being damaged by untoward delay. . . . Even if the interference survives the initial challenge, the process is likely to cover a protracted period. Plaintiff might therefore be delayed many years before it is allowed to resume its cause of action.

The analysis here is the same. David Tropp is the owner of a presumptively valid patent which may, or may not, be affected by any of a number of possible rulings or events in the Travel Sentry Action. There is no equitable basis for him to be deprived of his ability to maintain this action and begin the process of vindicating the rights acquired by him by dint of his considerable sacrifice and personal investment.

Nor is the argument of the Moving Defendants as to the balance of prejudice here availing. The suggestion is made that because Mr. Tropp “waited nearly two and a half years to file the present action,” Moving Brief at 8, he should be kept waiting without any time limit to be allowed to do so. But two and a half years is not the statute of limitations for a patent infringement action, especially where, as here, infringement is ongoing; and if the Moving Defendants intend to make an argument along the lines of laches, they have fallen far short. Indeed, this line of argument preciously avoids the more straightforward explanation of the situation, namely that David Tropp, a private individual of modest means, never brought an action against **anyone**—it was he who was sued and who had some reason to believe that ultimately his legal position would be vindicated.

