

*In The*  
**United States Court of Appeals**  
*For The Federal Circuit*

**DAVID A. TROPP,**

*Plaintiff-Appellant,*

**v.**

**CONAIR CORPORATION, BRIGGS & RILEY TRAVELWARE  
LLC, DELSEY LUGGAGE INC., EBAGS, INC., EAGLE CREEK,  
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., WORDLOCK, INC., VF  
OUTDOOR, INC., TRG ACCESSORIES, LLC, BROOKSTONE  
COMPANY, INC., BROOKSTONE STORES, INC., and MASTER  
LOCK COMPANY LLC,**

*Defendant-Appellees.*

**APPEALS FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NEW YORK  
IN CASE NO. 08-CV-4446, JUDGE ERIC N. VITALIANO.**

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**BRIEF OF APPELLANT**

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*Dated: December 27, 2011*

## FORM 9. Certificate of Interest

## UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Tropp v. Conair Corporation

No. 2011-158

United States Court of Appeals  
For The Federal Circuit

## CERTIFICATE OF INTEREST

Counsel for the (petitioner) (appellant) (respondent) (appellee) (amicus) (name of party)

David A. Tropp certifies the following (use "None" if applicable; use extra sheets if necessary):

1. The full name of every party or amicus represented by me is:

David A. Tropp

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THE FEDERAL CIRCUIT

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JAN HUBBARD

CLERK

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

David A. Tropp

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

Not applicable.

4. ☒ The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Goetz Fitzpatrick LLP, Ronald D. Coleman (Partner) and Joel G. MacMull (Associate)

Sept 26/11  
DateSignature of counsel  
RONALD D. COLEMAN, JOEL G. MACMULL  
Printed name of counselPlease Note: All questions must be answered  
cc: See attached Service List

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## STATEMENT OF RELATED CASES

Pursuant to Rule 47.5 of the Rules of the United States Court of Appeals for the Federal Circuit, counsel for Plaintiff-Appellant David A. Tropp hereby states as follows:

There is a related appeal pending in this Court styled as *Travel Sentry, Inc. v. David A. Tropp*, No. 2011-1023-1367, which is an appeal from the ruling by the Hon. Eric N. Vitaliano, U.S.D.J., of the Eastern District of New York found at *Travel Sentry, Inc. v. Tropp*, 736 F. Supp 2d 623, 639 (E.D.N.Y 2010) (“*Travel Sentry*”), involving many of the same issues. The basis for Judge Vitaliano’s order dismissing this case, from which Mr. Tropp now appeals, was collateral estoppel based on the holding in *Travel Sentry*.

## **STATEMENT OF JURISDICTION**

This is an appeal taken from a final judgment entered by the United States District Court for the Eastern District of New York. This Court has jurisdiction over this appeal pursuant to 28 U.S.C. § 1295(a)(4)(C).

## **STATEMENT OF THE ISSUES**

The issue for review in this case is whether the District Court erred in dismissing the case below on grounds of collateral estoppel based on the ruling in *Travel Sentry*.

## **STATEMENT OF THE CASE**

In the district court proceedings, Mr. Tropp accused appellees of direct, indirect and contributory infringement concerning United States Patent Nos. 7,021,537 and 7,036,728 (collectively, the “patents in suit” ), under 35 U.S.C. § 271. On September 10, 2010, the Hon. Eric N. Vitaliano, U.S.D.J., of the United States District Court for the Eastern District of New York dismissed Mr. Tropp’s claims in the *Travel Sentry* action on the ground of non-infringement. The court subsequently ordered Mr. Tropp to show cause in this action why these claims, based on the same patents and similar allegations of infringement, should not be dismissed by virtue of collateral estoppel arising from the *Travel Sentry* decision. After briefing by the parties, on August 5, 2011 Judge Vitaliano dismissed Mr. Tropp’s complaint. This appeal followed.

## STATEMENT OF FACTS

For purposes of this appeal, the operative facts may be found in this excerpt from the opinion below:

The essential facts, set forth at length in *Travel Sentry*, are quite plain. The patents in suit, of which Tropp is the inventor, each claim a multi-step method of airline luggage screening. This method enables travelers to secure their checked luggage with a dual-access lock that can be opened by airport security personnel using a master key. Tropp's company, Safe Skies, manufactures and sells a lock system that performs the initial steps of this process. Agents of the Transportation Security Administration ("TSA"), part of the United States Department of Homeland Security, perform the last two steps. Travel Sentry sells a similar lock system, which it licenses to defendants, who manufacture and sell luggage using the Travel Sentry system.

Tropp alleges that defendants' use of the Travel Sentry lock system infringes the patents in suit. However, in the *Travel Sentry* decision, this Court found that TSA, which performs the final two steps of the patented methods, was not controlled or directed by Travel Sentry, and thus there was no direct infringement under the joint infringement doctrine—which, in turn, vitiated any possibility of indirect infringement as well. *Travel Sentry*. 736 F.Supp.2d at 638. The Court then ordered Tropp to show cause as to why the instant suit is not barred by collateral estoppel. *Id* at 639. At the request of the parties, mediation and discovery in this action were stayed on September 17, 2010, in response to the Court's order.

*Tropp v. Conair Corp.*, 08-CV-4446 ENV RLM, 2011 WL 3511001 (E.D.N.Y. Aug. 10, 2011) (footnotes omitted).



## SUMMARY OF THE ARGUMENT

The District Court improvidently dismissed this action on the ground of collateral estoppel.

Even if the District Court was within its discretion to dismiss the original action, in light of this Court's vacatur and rehearing *en banc* in *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 629 F.3d 1311 (Fed. Cir. 2010), *en banc reh'g granted*, 419 Fed. Appx. 989 (Apr. 20, 2011) and *McKesson Technologies, Inc. v. Epic Systems Corp.*, 98 USPQ 2d 1281 (Fed. Cir. 2011), *en banc reh'g granted*, 2011 WL 2173401 (May 26, 2011), which involve nearly identical issues to those implicated in *Travel Sentry* and this action, reversal and remand is appropriate.

## ARGUMENT

### I. STANDARD OF REVIEW

This Court reviews a district court's application of collateral estoppel *de novo*. See *Pharmacia & Upjohn Co. v. Mylan Pharmaceuticals, Inc.*, 170 F.3d 1373, 1376 (Fed. Cir. 1999); *In re Freeman*, 30 F.3d 1459, 1467 (Fed. Cir. 1994).

### II. COLLATERAL ESTOPPEL STANDARD

"Under the doctrine of issue preclusion, a judgment on the merits in a first suit precludes relitigation in a second suit of issues actually litigated and determined in the first suit." *Masco Corp. v. United States*, 303 F.3d 1316, 1329

(Fed. Cir. 2002). In both this Circuit and the Second Circuit, a finding of issue preclusion requires that: (1) the issue is identical to one decided in the first action; (2) the issue was actually litigated in the first action; (3) resolution of the issue was essential to a final judgment in the first action; and (4) plaintiff had a full and fair opportunity to litigate the issue in the first action. *See id.*; *Bank of N.Y. v. First Millennium, Inc.*, 607 F.3d 905, 918 (2d Cir. 2010).

### **III. THE COURT ERRED IN DETERMINING THAT THE FINDING OF NON-INFRINGEMENT IN THE TRAVEL SENTRY ACTION PRECLUDED LITIGATION OF THE CLAIMS IN THIS ACTION.**

Explaining its finding of identity of the issues in the two cases, the District Court explained as follows:

To cut to the quick, it was the very same accused method, “Travel Sentry’s travel lock system,” that the Court held to be noninfringing in the *Travel Sentry* case. In *Travel Sentry*, the Court held that Tropp’s “direct infringement claim against Travel Sentry [was] only viable if there [was] sufficient evidence to permit a reasonable jury to infer that Travel Sentry directs and controls the TSA’s performance” of the last two steps of the claimed method, pursuant to the joint infringement or “mastermind” doctrine as articulated by the Federal Circuit in the *BMC* and *Muniauction* cases. *Travel Sentry*, 736 F.Supp.2d at 638 (citing *BMC Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1380–81 (Fed. Cir. 2007), and *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329 (Fed. Cir. 2008)). The Court found, in the end, that “[t]he record provide[d] no such basis.” *Travel Sentry*, 736 F.Supp.2d at 638. . . .

The Court thus held that “Travel Sentry’s travel lock system” does not infringe Tropp’s patented method, and the Court’s previous answer to this question estops Tropp from seeking a different answer to the same question now.

*Tropp v. Conair Corp.*, 08-CV-4446 ENV RLM, 2011 WL 3511001 (E.D.N.Y. Aug. 10, 2011). Effectively, the District Court determined, without finding Mr. Tropp's patents invalid, that they can **never** be enforced, because – as is undisputed – the TSA performs two steps of the claimed process.

It can hardly be imagined that a decision finding collateral estoppel on the ground of a prior judgment of non-infringement could read more like one based on a prior judgment of non-**validity** – for in effect, Judge Vitaliano's order on appeal amounts to a finding that **no party on earth** could infringe Mr. Tropp's patents! In relying on *BMC Res., Inc. v. Pamentech, L.P.*, and *Muniauction*, however, the District Court merely reinforced a line of cases that raise serious logical and doctrinal problems that go to the heart of what, if anything, patent ownership means.

These issues have bubbled to the surface in a number of well-known appeals pending before this Court right now. As the Court is well aware, oral argument on the *en banc* in *Akamai* and *McKesson* was heard on November 18, 2011. Both *Akamai* and *McKesson* concern method patents and center on the very issues of law that are disputed by the parties in this appeal:

1) If separate entities each perform separate steps of a method claim, under what circumstances, if any, would either entity or any third party be liable for inducing infringement or for contributory infringement?

2) Does the nature of the relationship between the relevant actors – e.g., service provider/user; doctor/patient – affect the question of direct or indirect infringement liability?

Each of the foregoing issues as framed is squarely within the ambit of this appeal, and each is addressed at length, in substance, within Mr. Tropp's appeal of the *Travel Sentry* decision. In the opinion below with respect to this case, the District Court – which, like the parties, was not aware of the imminent vacatur and order of *en banc* arguments in *Akamai* and *McKesson* – acknowledged Mr. Tropp's argument that the pending appeal of Travel Sentry counseled against dismissal of this action. "Tropp's pending appeal has no impact on *Travel Sentry*'s preclusive effect on the instant case. If, however, the *Travel Sentry* decision is reversed or vacated in relevant part on appeal, Tropp may move in this case for relief from final judgment under Rule 60. *See* Fed. R. Civ. P. 60(b)(5)." *Tropp v. Conair Corp.* at \*3.

Mr. Tropp respectfully suggests that, for purposes of this appeal, it is here where the District Court erred, for the fact that both actions were in litigation at the same time and that an appeal was pending as to a controversial issue should have stayed Judge Vitaliano's hand as to dismissal of this case. As this Court explained in *Innovad Inc. v. Microsoft Corp.*, 260 F.3d 1326, 1334 (Fed. Cir. 2001):

A "full and fair opportunity to litigate" a particular issue includes a party's ability to appeal. Moreover, a "resolution" and "final

judgment” envision a complete adjudicative process. As is evident in this appeal, the process is not final nor are the claim construction issues resolved when this court has construed the claims in some ways differently from the commendable work done by the trial court. By its terms, the doctrine of issue preclusion is not available at this stage of this adjudicative process. Moreover, for excellent policy reasons, the doctrine of issue preclusion does not require Innovad to include all parties involved below in its appeal, which would preclude the opportunity of settlement with any party before appeal. Innovad can preserve its full rights to appeal without including all parties to the district court’s judgment.

Indeed, it is notable that in disposing of Mr. Tropp’s argument that the pendency of the *Travel Sentry* appeal militated against dismissal of this action, the District Court relied on the unpublished opinion in *Studer v. SEC*, 148 F. App’x 58, 59 (2d Cir. 2005) for the proposition that “it is well-settled under federal law that ‘pending appeals do not alter the finality or preclusive effect of a judgment.’”

*Studer*, however, is distinguishable on a number of grounds. For one thing, in *Studer* the appellate court had in fact “affirmed the entirety of the district court’s injunctive decision.” *Id.* at 59. More significantly, *Studer*, a securities regulation case, did not involve patent litigation, where prior adjudications of issues such as claim construction have the unique quality, not found in securities regulation cases, of permitting issue preclusion to be used broadly by third parties who were strangers to the first case.

Thus, while the principle for which the District Court cited to *Studer* is generally applicable – i.e., that pending appeals do not normally affect the

application of collateral estoppel – application of that rule to a judgment of non-infringement (i.e., not invalidity) to a companion case during the pendency of the first case’s appeal, and under the procedural and factual premises here, was error. The District Court’s extraordinarily broad ruling effectively renders Mr. Tropp’s patent invalid without making any of the requisite findings of law or fact necessary to establish invalidity. Considering the power of collateral estoppel when applied to claims construction, then, the District Court failed here to take full measure of the relevant procedural and timing considerations before it and weigh them properly before dismissing the claim now being appealed.

For example, in *In re Cygnus Telecommunications Tech., LLC, Patent Litig.*, 536 F.3d 1343 (Fed. Cir. 2008), this Court disapproved of the use, in a multi-district litigation context, of collateral estoppel where, as here, the litigation and the status of appeals from earlier rulings were still very fresh. As the Court noted, by doing so the traditional goals of collateral estoppel could actually be turned on their head by that doctrine’s misapplication:

In a case such as this one, the plaintiff is not seeking to obtain a second bite at the apple on an issue decided against it in a previous case; rather, the plaintiff is seeking review of an adverse decision in the first and only case in which the issue has been presented. The fact that the plaintiff has elected not to pursue its appellate rights against all of the defendants should be no basis for holding that it may not pursue those rights against any of them. Accordingly, we decline to apply collateral estoppel against Cygnus.

*Id.* at 1350. The situation here is not multi-district litigation, but for all practical purposes the situation is not, as the District Court described it, one where Mr. Tropp has got an answer to one question and, disappointed in the outcome, is “seeking a different answer to the same question now.” Rather, as in *Cygnus*, the litigation moment for the two cases – both of which are addressed in the same opinion – is the same. In light of not only the pending appeal in *Travel Sentry*, but the vacatur and reargument, *en banc*, of the decisions in *Akamai* and *McKesson* involving essentially the same legal questions, the District Court’s dismissal of the complaint in this case can now be seen as improvident, and should be reversed.

#### **IV. THE COURT’S FINDING OF COLLATERAL ESTOPPEL WAS PREMISED ON ERRORS OF LAW IN THE TRAVEL SENTRY ACTION.**

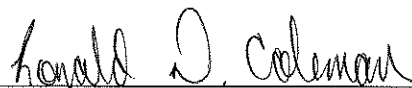
As set forth above, the District Court, citing its own opinion in *Travel Sentry* as collateral estoppel, dismissed this action on the ground that “‘Travel Sentry’s travel lock system’ does not infringe Tropp’s patented method, and the Court’s previous answer to this question estops Tropp from seeking a different answer to the same question now.” *Tropp v. Conair Corp.* at \*3. *Travel Sentry* is currently before this Court on appeal, and Mr. Tropp has no intention of burdening this Court with a repetition of arguments he has already set out in those papers. But while the pendency of an appeal does not affect its technical finality for collateral estoppel purposes, if – as here – the same appellate court is considering essentially

the same issues at the same time in both the pending and the precluding case, it is appropriate for that court – this Court – to apply any reversal of the first opinion to the simultaneous appeal of the second. *See JVW Enterprises, Inc. v. Amazon.com, Inc.*, 175 F. App'x 344, 345 (Fed. Cir. 2006) (“because the district court’s decision . . . upon which the district court’s decision in this case was based, was reversed in part and remanded, it is appropriate to vacate and remand” the second case). Thus Mr. Tropp urges reversal here on the same grounds set forth at length in his submissions with respect to the pending appeal in the *Travel Sentry* case.

### CONCLUSION

For the foregoing reasons, Mr. Tropp respectfully submits that the District Court erred in dismissing Mr. Tropp’s patent infringement claims in this matter on the ground of collateral estoppel, and that its decision should be reversed and remanded.

Respectfully submitted,



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Dated: December 27, 2011



# **ADDENDUM**

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

-----X  
DAVID A. TROPP,

Plaintiff,

- against -

CONAIR CORPORATION, et al.,

Defendants.  
-----X

**MEMORANDUM & ORDER**

08-CV-4446 (ENV) (RLM)

**VITALIANO, D.J.**

Plaintiff David Tropp brings this action against defendants, 18 manufacturers and distributors of luggage, alleging infringement of United States Patent Nos. 7,021,537 (“the ‘537 patent”) and 7,036,728 (“the ‘728 patent”) (collectively, the “patents in suit”), under 35 U.S.C. § 271, in connection with their use of a dual-access lock system designed and licensed by Travel Sentry, Inc. (“Travel Sentry”). On September 17, 2010, this Court granted summary judgment to Travel Sentry awarding declaratory judgment on its claim of noninfringement of the same patents in suit. See Travel Sentry, Inc. v. Tropp, 736 F. Supp. 2d 623, 639 (E.D.N.Y. 2010) (“Travel Sentry”).<sup>1</sup> For the reasons below, the Court finds the instant action barred by collateral estoppel based on the findings and holdings in Travel Sentry.

**I. BACKGROUND**

The essential facts, set forth at length in Travel Sentry, are quite plain. The patents in suit, of which Tropp is the inventor, each claim a multi-step method of airline luggage screening. This method enables travelers to secure their checked luggage with a dual-access lock that can be

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<sup>1</sup> Familiarity with this decision — the concluding chapter in Tropp’s patent litigation with Travel Sentry, the licensor of the rights claimed by the 18 defendants Tropp challenges in the case at bar — is presumed.

opened by airport security personnel using a master key. Tropp's company, Safe Skies, manufactures and sells a lock system that performs the initial steps of this process. Agents of the Transportation Security Administration ("TSA"), part of the United States Department of Homeland Security, perform the last two steps. Travel Sentry sells a similar lock system, which it licenses to defendants, who manufacture and sell luggage using the Travel Sentry system.

Tropp alleges that defendants' use of the Travel Sentry lock system infringes the patents in suit. However, in the Travel Sentry decision, this Court found that TSA, which performs the final two steps of the patented methods, was not controlled or directed by Travel Sentry, and thus there was no direct infringement under the joint infringement doctrine — which, in turn, vitiated any possibility of indirect infringement as well. Travel Sentry, 736 F. Supp. 2d at 638. The Court then ordered Tropp to show cause as to why the instant suit is not barred by collateral estoppel.<sup>2</sup> Id. at 639. At the request of the parties, mediation and discovery in this action were stayed on September 17, 2010, in response to the Court's order.

## II. STANDARD OF REVIEW

A court may dismiss a claim sua sponte on grounds of collateral estoppel. See Doe v. Pfrommer, 148 F.3d 73, 80 (2d Cir. 1998). Collateral estoppel, also known as issue preclusion, generally exists to "conserv[e] the time and resources of the parties and the court" and "promote[] the finality of judgments." Johnson v. Watkins, 101 F.3d 792, 795 (2d Cir. 1996). Under Second Circuit law,<sup>3</sup> issue preclusion applies when "(1) the identical issue was raised in a

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<sup>2</sup> Also pending in this action is the defendants' motion for summary judgment on the ground that, pursuant to 28 U.S.C. § 1498(a), private parties cannot be liable for infringement when "the allegedly infringing method is performed both 'by' and 'for' the United States government and with its 'authorization [and] consent.'" Given the disposition of this case, the motion is denied as moot.

<sup>3</sup> Contrary to Tropp's assertion that the question of collateral estoppel is a matter of state law, given that this case and Travel Sentry both arise under federal patent law, the federal law of

previous proceeding; (2) the issue was actually litigated and decided in the previous proceeding; (3) the party had a full and fair opportunity to litigate the issue; and (4) the resolution of the issue was necessary to support a valid and final judgment on the merits.” Bank of N.Y. v. First Millennium, Inc., 607 F.3d 905, 918 (2d Cir. 2010) (quoting Ball v. A. O. Smith Corp., 451 F.3d 66, 69 (2d Cir. 2006)). “The party asserting collateral estoppel bears the burden of demonstrating that it is entitled to this relief.” Bear, Stearns & Co. v. 1109580 Ontario, Inc., 409 F.3d 87, 93 (2d Cir. 2005) (quoting May Ship Repair Contracting Corp. v. Barge Columbia N.Y., 160 F. Supp. 2d 594, 599 (S.D.N.Y. 2001)). In his response to the Court’s order to show cause, Tropp only raises a question as to the first of these four elements, and so the inquiry turns on the identity of the issues in this case vis-à-vis those resolved in the Travel Sentry case.<sup>4</sup>

### III. DISCUSSION

#### A. Issue Preclusion Based on Holding in Travel Sentry

It is clear that Tropp’s theory of infringement in this case is identical to the one raised and decided by the Court in Travel Sentry. Tropp’s claims in this case are based on the theory that defendants committed indirect infringement connected to direct infringement by Travel Sentry. The complaint here plainly states that “*Travel Sentry’s travel lock system* is identical to

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collateral estoppel applies. See, e.g., Aerogroup Int’l, Inc. v. Shoe Show, Inc., 966 F. Supp. 175, 179 (W.D.N.Y. 1997). Further, the Federal Circuit applies the law of the regional circuit courts in addressing matters outside patent law — and, in particular, regarding collateral estoppel on issues other than patent validity — even in the context of patent litigation. See Pharmacia & Upjohn Co. v. Mylan Pharms., Inc., 170 F.3d 1373, 1381 n.4 (Fed. Cir. 1999).

<sup>4</sup> To the extent that Tropp argues that he was denied a full and fair opportunity to litigate the Travel Sentry case — pursuant to the third element of the collateral estoppel analysis — that argument would also fail. Tropp’s position that he should be entitled to additional discovery in *this* case misses the mark: the collateral estoppel inquiry turns on whether Tropp had a full and fair opportunity to litigate in the *previous* proceeding, a question Tropp does not address. Indeed, such an argument would cross the border of frivolousness since the previous case went to judgment after full discovery.

the one developed and patented by Mr. Tropp and infringes the ‘537 and ‘728 patents” (Compl. ¶ 28 (emphasis added)), and that “[e]ach and every one of the defendants named herein manufacture[s], distributes, licenses or sells luggage locks or products incorporating luggage locks that utilize *Travel Sentry’s travel lock system*,” (Compl. ¶ 29 (emphasis added)). Tropp then asserts that “[d]efendants have infringed the ‘537 patent by making *Travel Sentry’s travel lock system* for luggage available to consumers” (Compl. ¶ 34 (emphasis added)), and that “[d]efendants have infringed the ‘728 patent by making *Travel Sentry’s travel lock system* for luggage available to consumers,” (Compl. ¶ 39 (emphasis added)). The point is unmistakable: the accused method here is “Travel Sentry’s travel lock system,” with Travel Sentry as the direct infringer and defendants accused of committing indirect infringement by making or selling products that utilize “Travel Sentry’s travel lock system.”<sup>5</sup> Nowhere does the complaint allege that defendants infringed the patents by making or selling products using any system other than Travel Sentry’s. Nor does the complaint ever hint, much less contend, that defendants themselves directly infringe the patented method.

To cut to the quick, it was the very same accused method, “Travel Sentry’s travel lock system,” that the Court held to be noninfringing in the Travel Sentry case. In Travel Sentry, the Court held that Tropp’s “direct infringement claim against Travel Sentry [was] only viable if there [was] sufficient evidence to permit a reasonable jury to infer that Travel Sentry directs and controls the TSA’s performance” of the last two steps of the claimed method, pursuant to the

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<sup>5</sup> Specifically, though Tropp’s complaint is vague to the point of being threadbare, he appears to allege that defendants have committed contributory infringement under 35 U.S.C. § 271(c), which provides in relevant part: “Whoever offers to sell or sells within the United States or imports into the United States . . . a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same 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, shall be liable as a contributory infringer.” According to Tropp’s complaint in this case, the “patented process” at issue is “Travel Sentry’s travel lock system.”

joint infringement or “mastermind” doctrine as articulated by the Federal Circuit in the BMC and Muniauction cases. Travel Sentry, 736 F. Supp. 2d at 638 (citing BMC Res., Inc. v. Paymentech, L.P., 498 F.3d 1373, 1380-81 (Fed. Cir. 2007), and Muniauction, Inc. v. Thomson Corp., 532 F.3d 1318, 1329 (Fed. Cir. 2008)). The Court found, in the end, that “[t]he record provide[d] no such basis.” Travel Sentry, 736 F. Supp. 2d at 638. Tropp had argued that control or direction could be inferred from a Memorandum of Understanding (“MOU”) executed by Travel Sentry and TSA, by which TSA committed to make a “good faith effort” to use the Travel Sentry master keys when it was “practicable” to do so. Id. Ultimately, the Court found that the MOU was “insufficient to establish the ‘control or direction’ requirement for joint infringement liability established by the Federal Circuit in BMC Resources and Muniauction.” Id.

The Court thus held that “Travel Sentry’s travel lock system” does not infringe Tropp’s patented method, and the Court’s previous answer to this question estops Tropp from seeking a different answer to the same question now. Tropp is accusing defendants in this case of contributing to direct infringement that has already been found not to exist. Moreover, “[i]ndirect infringement . . . can only arise in the presence of direct infringement,” Dynacore Holdings Corp. v. U.S. Philips Corp., 363 F.3d 1263, 1272 (Fed. Cir. 2004), and thus, under the claims alleged by Tropp in the complaint in this case, Travel Sentry’s direct infringement is an essential element of any claim advancing defendants’ liability for indirect infringement. Accordingly, the Court’s prior finding of noninfringement by Travel Sentry precludes Tropp from alleging indirect infringement by Travel Sentry’s licensees.<sup>6</sup>

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<sup>6</sup> In a further attempt to avoid the impact of the Travel Sentry decision, Tropp insinuates — but does not state explicitly — that he believes defendants have committed *direct* infringement of the patented method, proffering evidence that purports to show a relationship between defendants and TSA. Any such argument is meritless. First, Tropp’s complaint in this case contains no allegations that defendants directly infringed the patented method; quite to the contrary, the complaint clearly names Travel Sentry as the only direct infringer.

## B. Pendency of Appeal

Tropp also argues that dismissal on collateral estoppel grounds is inappropriate because his appeal of the Travel Sentry decision is pending. This argument is unavailing. Tropp relies on Johnson v. Watkins, 101 F.3d 792, 795 (2d Cir. 1996), which held that under New York law, collateral estoppel is inappropriate where “a party has not had an opportunity to appeal an adverse finding,” such as “an inability to obtain review” or a situation in which “there has been no review, even though an appeal was taken.” This reliance is flawed on multiple grounds.

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Second, even if Tropp were to amend his complaint to accuse defendants of direct infringement, any such amendment would be futile, if not wholly frivolous. In fact, Tropp’s purported “evidence” of a relationship between defendant Travelpro and TSA — an email exchange between the two regarding a potential MOU — arose in the context of Travelpro’s execution of a distribution agreement *with Tropp’s company, Safe Skies*. (MacMull Ltr., Jan. 28, 2011, Ex. 1, at 2.) Tropp is thus claiming that an incipient MOU between TSA and *one of his own licensees* somehow indicates defendants’ control or direction of TSA. Moreover, even if a Travel Sentry licensee had sought a MOU with TSA, it would still not amount to evidence of direct infringement, given that the Court already held in Travel Sentry that a MOU committing TSA only to make a “good faith effort” to use master keys when “practicable” does not satisfy the “control or direction” requirement for joint infringement under BMC and Muniauction. Travel Sentry, 736 F. Supp. 2d at 638. And indeed, to suggest that any defendant in this case has a relationship with TSA would border on disingenuousness given Tropp’s own argument before the Court in opposition to defendants’ motion for summary judgment: “Nor does the record show that any defendant entered into a contract with, fulfill orders for, or otherwise have any direct or indirect business, legal or other relationship with the TSA or any other government agency relating to the sale of Travel Sentry locks.” (Summ. J. Opp’n at 4.) Tropp’s proffer of purported evidence of TSA’s contracting of luggage screening to a private entity (MacMull Ltr., Jan. 28, 2011, Exs. 3-5) is also meritless — and meaningless. The dispositive issue throughout both this case and Travel Sentry has been the “control or direction” exercised by Travel Sentry (or, pursuant to Tropp’s eleventh hour argument, its licensees) over TSA’s performance of luggage screening and, accordingly, the last two steps of the patented method. TSA’s contracting of those steps to a private entity says *nothing* about whether Travel Sentry or its licensees controlled or directed that private entity. Indeed, if anything, TSA’s contracting of luggage screening to private entities means that the relationship between Travel Sentry and the luggage screeners who use its master keys may be even more attenuated than previously thought — i.e., even further along the “spectrum” to “mere ‘arms-length cooperation’” that “will not give rise to direct infringement by any party.” Muniauction, 532 F.3d at 1329 (quoting BMC, 498 F.3d at 1381).

First, Johnson applies New York law and is thus inapplicable here. See note 3, supra.<sup>7</sup> Second, and dispositively, it is well-settled under federal law that “pending appeals do not alter the finality or preclusive effect of a judgment.” Studer v. SEC, 148 F. App’x 58, 59 (2d Cir. 2005).

Accordingly, Tropp’s pending appeal has no impact on Travel Sentry’s preclusive effect on the instant case. If, however, the Travel Sentry decision is reversed or vacated in relevant part on appeal, Tropp may move in this case for relief from final judgment under Rule 60. See Fed. R. Civ. P. 60(b)(5) (“[T]he court may relieve a party . . . from a final judgment” if “it is based on an earlier judgment that has been reversed or vacated.”); see also Galin v. U.S., No. 08-CV-2508, 2008 WL 5378387, at \*9 (E.D.N.Y. Dec. 23, 2008).

#### IV. CONCLUSION

For all the foregoing reasons, Tropp’s claims are barred by collateral estoppel and are dismissed with prejudice.

The Clerk of Court is directed to enter judgment and to close this case.

SO ORDERED.

Dated: Brooklyn, New York  
August 5, 2011

s/ENV

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ERIC N. VITALIANO  
United States District Judge

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<sup>7</sup> Even under New York law, Johnson is inapposite, as there is no suggestion that Tropp was somehow unable to obtain review of the Travel Sentry decision, and the Second Circuit has found that in New York “the mere pendency of an appeal does not prevent the use of the challenged judgment as the basis of collaterally estopping a party to that judgment in a second proceeding.” DiSorbo v. Hoy, 343 F.3d 172, 183 (2d Cir. 2003) (quoting Amica Mut. Ins. Co. v. Jones, 85 A.D.2d 727, 728, 445 N.Y.S.2d 820, 822 (2d Dep’t 1981)).



## **CERTIFICATE OF FILING AND SERVICE**

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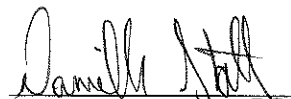
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The necessary filing and service were performed in accordance with the instructions given me by counsel in this case.



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Dated: December 27, 2011




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**DECLARATION OF AUTHORITY  
PURSUANT TO FED. CIR. R. 47.3(d)**

I, Danielle Staley, hereby declare under penalty of perjury that I am duly authorized to sign on behalf of Counsel for Plaintiff-Appellant, Ronald D. Coleman, as he is unavailable to do so himself.

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