NOT FOR PUBLICATION

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Neal Technologies, Inc., Plaintiff, v. Innovative Performance Research, LLC, Defendant.	No. CV-15-00311-PHX-SRB **ORDER**

At issue is Plaintiff's Motion for Preliminary Injunction ("Pl.'s Mot.") (Doc. 10).

I. BACKGROUND

This case arises from allegations that Defendant Innovative Performance Research's oil cooler relocation kits infringe on U.S. Patent No. 8,887,688 (the "'688 Patent"), a utility patent issued November 18, 2014. (*See* Doc. 1, Compl. & Ex. A, U.S. Patent No. 8,887,688 B1.) Plaintiff is the exclusive licensee of the '688 Patent. (Pl.'s Mot., Decl. of Kennieth Neal in Supp. of Appl. for Prelim. Inj. ("Neal Decl.") ¶ 4.) The '688 Patent is an invention to resolve a flaw in Ford Power Stroke diesel engines used in certain pickup trucks between 2003-2010. (*Id.* ¶¶ 8, 11 ("The oil cooler has small passageways for oil and coolant that are prone to clogging.").) The invention relates to a method for removing the original oil cooler from the engine block and placing a new oil cooler at a remote location within the engine compartment, allowing the engine to operate more efficiently with lower oil temperatures and to be serviced more easily. (*Id.* ¶ 14.) Plaintiff uses this invention in aftermarket kits for Ford 6.0 liter F-Series, 6.0 liter E-

Series, and 6.4 liter F-series trucks. (*Id.* ¶ 34.) Plaintiff contends that two of Defendant's oil cooler relocation kits (the 6.0 L engine kit (Model 60037) and the 6.4 L engine kit (Model 640810)) infringe on the '688 Patent. (Pl.'s Mot. at 2; *see* Neal Decl. ¶ 17; Decl. of James Rice in Supp. of Appl. for Prelim. Inj. ("Rice Decl.") ¶ 10.) Plaintiff seeks to enjoin "[Defendant] and its officers, agents, members, and those persons in active concert or participation with them, along with any company affiliated with [Defendant] or under its control, from manufacturing, using, offering to sell, or selling within the United States or importing into the United States its oil cooler relocation kits models 60037 and 640810." (Pl.'s Mot. at 1.)[1]

II. LEGAL STANDARDS AND ANALYSIS

The Patent Act authorizes injunctive relief. 35 U.S.C. § 283. "A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest." *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008); *see eBay Inc. v. MercExchange*, L.L.C., 547 U.S. 388, 391 (2006) (explaining that the *Winter* standards apply to injunction requests made under the Patent Act). "The decision to grant or deny . . . injunctive relief is an act of equitable discretion by the district court." *eBay Inc.*, 547 U.S. at 391.

In showing a likelihood of success on the merits, Plaintiff must "demonstrate that it will likely prove infringement of one or more claims." *Astra-Zenica LP v. Apotex, Inc.*, 633 F.3d 1042, 1050 (Fed. Cir. 2010). "[I]n order to defeat the injunction based on invalidity or unenforceability defenses, [Defendant] . . . must establish a substantial question of invalidity or unenforceability, i.e., that it is likely to succeed in proving

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[1] Plaintiff filed another patent infringement suit against Defendant and its owner in the District of Arizona. (*Neal v. Au*, 13-cv-00406-MHB.) The disputed patents are oil cooler inventions used to fix reliability problems in different Ford diesel engines. The court held a *Markman* hearing January 23, 2015, and entered an order adopting constructions of the disputed patent terms February 9, 2015. (*See* Doc. 130, Feb. 9, 2015 Order.)

invalidity or unenforceability of the asserted patents." *Abbott Labs. v. Andrx Pharm., Inc.*, 473 F.3d 1196, 1201 (Fed. Cir. 2007). "If [Defendant] defends with evidence raising a 'substantial question' concerning validity, enforceability, or infringement, [Plaintiff is] required to produce countervailing evidence demonstrating that these defenses 'lack[] substantial merit.'" *Purdue Pharma L.P. v. Boehringer Ingelheim GMBH*, 237 F.3d 1359, 1363 (Fed. Cir. 2001) (second alteration in original) (quoting *Genentech, Inc. v. Novo Nordisk A/S*, 108 F.3d 1361, 1364 (Fed. Cir. 1997)).

The Court does not have to address whether Plaintiff can likely prove infringement of one or more claims because there is a substantial question about the enforceability of the '688 Patent that forecloses a preliminary injunction. Defendant directed the Court to Plaintiff's application for a reissue patent for the '688 Patent to rebut the presumption that the '688 Patent is valid. (Doc. 23, Ex. 1, Def.'s Resp. to Pl.'s Mot ("Resp.") at 9-10);[2] 35 U.S.C. § 251 (2006) ("Reissue of defective patents") (Because the patent application was filed before the America Invents Act's effective date, the pre-AIA statute applies.) Plaintiff applied for a patent reissue based on the Supreme Court's decision in *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, 134 S. Ct. 2111 (2014), explaining that *Limelight*'s holding "cast doubt on the enforceability of a method patent when the steps could be performed by multiple actors." (Doc. 21-9, USPTO Reissue Appl. at 5.) Plaintiff believed that the inventors

> claimed less than they were entitled to claim, because the step of attaching the oil cooler to the adapter plate and the step of attaching the oil cooler hoses to the adapter plate could be performed by an infringing parts supplier, while the step of removing the original equipment oil cooler cover and oil cooler from the engine and the step of attaching a modified non-stock manifold to the engine in the engine valley could be performed by an independent installer, thereby rendering the patent potentially unenforceable against either actor, a result that seems patently unfair.

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[2] Before briefing concluded on the preliminary injunction motion, Defendant filed a notice of errata with a new Response to correct a mistake in its initial filing. Plaintiff did not object to the correction. The Court cites the corrected Response rather than the initial filing.

(*Id.*) The proposed amendment "collapse[d] the steps of attaching the oil cooler to the adapter plate and attaching the oil cooler hoses to the adapter plate so that all of the method steps will be performed by the installer (or one under control of the installer)." (*Id.*) Defendant filed a "Third Party Submission under 35 U.S.C. §122(e) and 37 C.F.R. § 1.290" with the USPTO to challenge the reissue patent application. (Doc. 21-12, Apr. 15, 2015 Third Party Submission.)[3]

Plaintiff argues that the reissue patent application does not call into question the '688 Patent's validity, in contrast to a reexamination request, where the petitioner must show that there is "a substantial new question of patentability affecting any claim of the patent concerned is raised by the request." (Doc. 24, Reply in Supp. of Pl.'s Mot. ("Reply") at 2 (citing 35 U.S.C. § 303).) Plaintiff may be correct that the reissue patent application does not address whether the '688 Patent is invalid for obviousness or indefiniteness, but the purpose of a reissue patent application is to correct a patent "wholly or partially inoperative or invalid." *See* 35 U.S.C. § 251 (applying "[w]henever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent . . ."); MPEP 1402 ("A reissue application is filed to correct an error in the patent, where, as a result of the error, the patent is deemed wholly or partly inoperative or invalid. An error in the patent arises out of an error in conduct which was made in the preparation and/or prosecution of the application which became the patent.").

Plaintiff contends that a patent subject to reissue remains "enforceable" unless and until it is replaced by the reissued patent. (Reply at 3); 37 C.F.R. § 1.178 ("The application for reissue of a patent shall constitute an offer to surrender that patent, and the surrender shall take effect upon reissue of the patent. Until a reissue application is

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[3] The parties dispute whether the third-party submission is permitted under the USPTO rules of practice (the Manual of Patent Examining Procedure ("MPEP")). The Court does not need to resolve this dispute to fully address whether Plaintiff is entitled to preliminary injunctive relief.

granted, the original patent shall remain in effect."). It is true that the original patent remains in effect until it is reissued; however, whether a patent remains in force is different from whether there is a substantial question concerning the enforceability the '688 Patent. The reissue patent application acknowledged that the '688 Patent is "potentially unenforceable" based on the *Limelight* decision and included amendments to cure those potential defects. The Court will not issue a preliminary injunction for the alleged infringement on the '688 Patent when the pending reissue patent application raises a substantial question about the '688 Patent's enforceability.

III. CONCLUSION

Because Plaintiff has failed to show a likelihood of success on the merits, it is not entitled to preliminary injunctive relief.

IT IS ORDERED denying Plaintiff's Motion for Preliminary Injunction (Doc. 10).

Dated this 19th day of May, 2015.

Susan R. Bolton
United States District Judge