

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**MOLON MOTOR AND COIL
CORPORATION,**

Plaintiff,

v.

NIDEC MOTOR CORPORATION

Defendant.

Civil Action No. 1:16-CV-03545

Honorable Edmond E. Chang

**FINAL JUDGMENT UNDER RULE 54(B) AND
ORDER STAYING DEFENDANT’S PATENT COUNTERCLAIM**

Before the Court is *Plaintiff’s Motion for Certification of Partial Final Judgment under Rule 54(b) and the Stay of Defendant’s Remaining Counterclaim* (D.I. 86). Defendant Nidec Motor Corp. (“NMC”) does not oppose this motion. Because there is no just reason for delay, this Court exercises its discretion to grant Rule 54(b) judgment to maximize efficiency and conserve judicial resources. The Court also stays Defendant’s declaratory judgment counterclaims.

In the operative complaint (*Third Amended Complaint*, R. 64), Plaintiff Molon Motor and Coil Corp. (“Molon”) asserted four counts:

- (i) Count I - patent infringement of U.S. Patent No. 6,465, 915 (“the ’915 patent”);
- (ii) Count II - design patent infringement for U.S. Patent No. D451,072 (“the ’072 patent”);
- (iii) Count III - violations of the Defend Trade Secrets Act of 2016 (“DTSA”); and
- (iv) Count IV - violations of the Illinois Trade Secrets Act (“ITSA”).

The design patent infringement count (Count II) was dismissed on January 9, 2017. (R. 75.) The DTSA and ITSA counts (Counts III & IV) have survived a motion to dismiss (see R. 81), and discovery is proceeding on these counts (see R. 82). Molon's remaining claim in this case, infringement of the '915 patent (Count I), was the subject of a summary judgment motion (R. 33) in which this Court disposed of the claim pursuant to the 2006 Covenant Not to Sue. (See, generally, R. 78, R. 105-2.) NMC counterclaimed for declaratory judgment of patent non-infringement and invalidity for both the '915 patent (Count I) and the '072 patent (Count II). The design patent infringement counterclaim for the '072 patent was dismissed on January 9, 2017 (R. 75). NMC's declaratory judgment counterclaim for the '915 patent remains.

Rule 54(b) empowers this Court, in its discretion, to grant partial final judgment in cases such as this where there is no just reason for delay. In any case involving multiple claims, a court "may direct entry of a final judgment as to one or more, but fewer than all, claims." Fed. R. Civ. P. 54(b). A court is empowered to do so "only if the court expressly determines that there is no just reason for delay." *Id.* "Rule 54(b) acknowledges the policy that in multiple claim actions 'some final decisions, on less than all of the claims, should be appealable without waiting for a final decision on all of the claims.'" *W.L. Gore & Assocs., Inc. v. Int'l Med. Prosthetics Research Assocs., Inc.*, 975 F.2d 858, 861 (Fed. Cir. 1992) (quoting *Sears, Roebuck & Co. v. Mackey*, 351 U.S. 427, 432 (1956)).

A judgment is final, and therefore ripe for appellate review, when it ends the merits of a particular claim. See *W.L. Gore*, 975 F.2d at 863. For a patent infringement claim, a final determination is reached when the infringement liability issues are finally resolved. See *Bayer Healthcare Pharm., Inc. v. Watson Pharm., Inc.*, 713 F.3d 1369, 1373 n.3 (Fed. Cir. 2013). If a declaratory judgment counterclaim is pending, this Court may still certify for immediate appeal

on patent liability by considering “whether there was a proper basis to make ‘an express determination that there is no just reason for delay’ and then to expressly direct the entry of final judgment on fewer than all of the claims under Federal Rule of Civil Procedure 54(b).” *Nystrom v. Trex Company, Inc.*, 339 F.3d 1347, 1351 (Fed. Cir. 2003).

After determining that a judgment is appealable, this Court next considers whether there is a just reason to delay the appeal. *W.L. Gore*, 975 F.2d at 861. The Court must weigh various factors to determine whether the appeal should proceed immediately. “Factors the court should take into consideration include, among others, ‘whether the claims under review were separable from the others remaining to be adjudicated and whether the nature of the claims already determined was such that no appellate court would have to decide the same issues more than once even if there were subsequent appeals.’” *United State General, Inc. v. Albert*, 792 F.2d 678, 681 (7th Cir. 1986) (citing *Curtiss-Wright Corp. v. General Electric Co.*, 446 U.S. 1, 8, 100 S.Ct. 1460, 1464 (1980))

This Court’s March 29, 2017 *Memorandum Opinion and Order* (R. 78, R. 105-2) has finally disposed of Count I, the only pending patent infringement count, in Molon’s *Third Amended Complaint* (R.64), as well as the non-infringement portion of Count I of *Defendant Nidec Motor Corporation’s Answer To Plaintiff’s Third Amended Complaint* (R. 66). (See D.I. 78, R. 105-2 at pg. 10 (“Nidec wins summary judgment against the ’915 claim.”).) This Court has determined that Molon granted Merkle-Korff, NMC’s predecessor, a covenant not to sue on the ’915 patent for the motors at issue. (*See id.*, *generally.*) This decision ends the litigation on the merits with respect to Molon’s claims of patent infringement for the ’915 patent, as well as with respect to NMC’s counterclaim seeking a declaration of non-infringement. With respect to these claims, there is nothing left for the Court to do except enter final judgment in NMC’s favor.

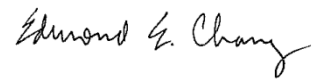
With respect to the remaining counterclaim for patent invalidity, this Court agrees that these claims are separable. “If the court’s finding of non-infringement is affirmed, there would be no need to resolve the dispute over the validity of the patent[]-in-suit. This weighs in favor of permitting an immediate appeal on the issue of non-infringement and staying further proceedings on ... [the] invalidity counterclaim pending appeal.” *Aristocrat Tech. v. International Game Tech.*, 2010 WL 2486174 at *2 (N.D. Cal. June 15, 2010); *see also ImageCube LLC v. The Boeing Co.*, 2010 WL 331723 at *3 (N.D.Ill. January 22, 2010). Additionally, the entry of a stay on this claim promotes efficiency and conserves both the parties’ resources and the Court’s resources.

Finally, with respect to the trade secret claims (Counts III and IV), this Court understands that the claims do not arise out of the same transaction or occurrence as the ’915 patent claims and do not present any common questions of law or fact with the ’915 patent claims, and are thus wholly distinct and separable.

Accordingly, it is ORDERED and ADJUDGED:

1. FINAL JUDGMENT is hereby entered under Rule 54(b) of the Federal Rules of Civil Procedure in favor of Defendant Nidec Motor Corp. and against Plaintiff Molon Motor and Coil Corp. on Plaintiff’s first count (Count I), as well as on the non-infringement portion of Count I of Defendant’s Counterclaims in accordance with the Court’s March 29, 2017 *Memorandum Opinion and Order* (R. 78, R. 105-2).

2. The remaining aspects of Count I of Defendant's Counterclaims, seeking declaratory judgment of invalidity of the '915 patent are STAYED until issuance of the mandate in the appeal from this Rule 54(b) judgment and this Court's March 29, 2017 *Memorandum Opinion and Order* (R. 78, R. 105-2).



Dated: September 6, 2018

HONORABLE EDMOND E. CHANG
UNITED STATES DISTRICT JUDGE