

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

OTTER PRODUCTS, LLC, and)	Docket No. 19 CV 6195
TREEFROG DEVELOPMENTS, INC.,)	
)	
Plaintiffs,)	
)	Chicago, Illinois
vs.)	February 27, 2020
)	2:00 o'clock p.m.
FELLOWES, INC.,)	
)	
Defendant.)	

TRANSCRIPT OF PROCEEDINGS - Motion
BEFORE THE HONORABLE MARY M. ROWLAND

APPEARANCES:

For the Plaintiffs:	MERCHANT & GOULD PC
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1 (The following proceedings were had in open court:)

2 COURTROOM DEPUTY: 19 C 6195, Otter Products v.
3 Fellowes.

4 THE COURT: You guys are busy, busy, busy, you Otter
5 people.

6 MR. ATKINS: Good afternoon, your Honor. Bill
7 Atkins and Peter Shakula for Fellowes.

8 MR. BEARD: Good afternoon, your Honor. James Beard
9 and Reid Huefner for OtterBox and Treefrog Developments.

10 THE COURT: Okay. All right. So I would have just
11 set a schedule but I didn't know. Do you want to file
12 something? Oh, Fellowes. Sorry.

13 MR. ATKINS: I'm sorry. Could you say that again?

14 THE COURT: Do you want to file some kind of
15 response?

16 MR. ATKINS: We would, if necessary.

17 THE COURT: Okay. So they have filed a memo arguing
18 that because of your dismissals of the infringement and
19 non-infringement -- wait. You dismissed some claims, right?

20 MR. ATKINS: I'm sorry. We just --

21 THE COURT: Okay. Let's start over.

22 MR. ATKINS: Yes.

23 THE COURT: You dismissed some of your claims,
24 right?

25 MR. ATKINS: We dismissed a counterclaim.

1 THE COURT: Okay. And now it is Otter's position
2 that because you dismissed that claim, for some reason
3 they're entitled to partial summary judgment.

4 MR. ATKINS: Correct. Now if you look at Docket
5 Number 48 -- and I'm happy to hand a copy up if -- but you're
6 probably more facile with the computer.

7 THE COURT: I got it right here.

8 MR. ATKINS: If you look at the very last line of
9 that, it says: For the sake of clarity, the answer portion
10 of that filing is not dismissed --

11 THE COURT: Okay.

12 MR. ATKINS: -- and here's the backstory on that.
13 This case started with OtterBox asserting ten patents against
14 Fellowes. They then amended the complaint and turned it into
15 eight patents asserted. We then answered and counterclaimed
16 and said you infringe our patents. OtterBox comes back and
17 says no, we don't. As a matter of fact, look at this
18 particular product that you accuse of infringement. It
19 doesn't have one material. It has two.

20 We looked at that. In the meantime, we put in
21 infringement contentions saying it still infringes and here's
22 another product that infringes called the Pursuit. It's
23 another phone case. We discovered through testing,
24 independent third-party testing that their allegations were
25 right about what we accused and it did, in fact, have two

1 materials. And with that, we looked at it and said that
2 first one, and they're such small sales to Pursuit, we're
3 out. So we spoke with counsel, we both looked at and signed
4 this document and said that counterclaim is out.

5 THE COURT: So you're no longer accusing them of
6 infringing?

7 MR. ATKINS: Correct.

8 THE COURT: I got that so far.

9 MR. ATKINS: All right. And that last line there
10 preserves all our defenses that we put in our original -- in
11 our original response to their allegations. What they're
12 trying to say is --

13 THE COURT: And so those might be like your patent
14 is not valid and we don't -- you, Otter, we don't infringe
15 your patent?

16 MR. ATKINS: Correct.

17 THE COURT: That would make sense to me.

18 MR. ATKINS: Right.

19 THE COURT: Okay.

20 MR. ATKINS: And so what they're saying is in that
21 counterclaim, we had three counts: Two infringement
22 allegations from Fellowes to OtterBox and then a declaratory
23 judgment of, in addition, we don't -- we don't infringe your
24 patents and your patents are invalid.

25 Their view is you've dismissed that counterclaim

1 with prejudice and therefore that infects and gives them a
2 win in their -- under their previous case. And the answer to
3 that is no, that's not true because those defenses stand
4 alone and separately and this particular clause on this
5 particular stipulation expressly reserves those.

6 THE COURT: So can't they still oppose your patent
7 infringement claim? That's all he's saying.

8 MR. BEARD: So a couple responses, your Honor.
9 First, I'm not going to address the characterization of the
10 record and the history leading up to this point. At this
11 time, I think our fees motion that will be pending upon entry
12 of final judgment will address that in full so we need not
13 burden the Court there.

14 I think -- my understanding of the law as -- to
15 counterclaims and affirmative defenses is that their response
16 and defenses to our allegations of infringement would be
17 vitiated by the dismissal on the merits of their counterclaim
18 of non-infringement and invalidity, which is to say that the
19 fact that they have dismissed Count Three which again for the
20 record includes allegations of non-infringement and
21 invalidity based on specific references that they lay out and
22 allegations that they do not infringe. They opted to dismiss
23 that with prejudice.

24 I do not have an understanding currently and do
25 not -- have not found any case that allows them to sustain a

1 defense outlined in the answer based on that dismissal on the
2 merits under *Power Mosfet*.

3 The other thing I'll note here, your Honor, is that
4 the answer includes in large part -- if not predominantly, if
5 not by majority -- issues related to trade dress and those
6 are uncontestedly still in the case. There's trade dress and
7 unfair competition. And so even to the extent there's
8 ambiguity over whether the answer could stand on its own,
9 there are elements to that answer that are not contested
10 still in dispute.

11 THE COURT: Right. I don't care about the trade
12 dress but you accused them of infringing your patent. Then
13 they accused you of infringing their patent. I'm finding
14 this happens often in patent cases, by the way. If they come
15 back and say okay, we're taking our patent home, we're taking
16 it off the table, we're going home with our patent, can't
17 they still oppose your attack that they're infringing your
18 patent and say well, OtterBox, your patent is invalid? I
19 don't understand why they couldn't do that.

20 MR. BEARD: I think the answer is they could have
21 done that, your Honor, but they didn't. The history of
22 correspondence between the parties and the discussions talked
23 about dismissal of the counter complaint. The clear black
24 and white language of the stipulations says dismissal of the
25 causes of action which included Count Three and essentially

1 they could have opted to continue litigating but they
2 didn't.

3 THE COURT: But didn't they in their answer also say
4 deny, deny, deny, deny, deny, and you said you infringe. And
5 they said we deny. And you said you infringe again. And
6 they said we deny. I mean, I don't have the answer in front
7 of me but I'm guessing there's a lot of paragraphs of a lot
8 of denials on them because I read a few answers in my day.

9 MR. BEARD: I would suppose again not having it
10 front of me that your Honor is correct that the majority of
11 those paragraphs in those allegations were likely denied
12 based on information and belief --

13 THE COURT: So can't I just say they have an answer
14 on file and that's their -- they've denied that they've
15 infringed on your patent?

16 MR. BEARD: Your Honor, I think to -- not to belabor
17 the point but the operation of *Power Mosfet* is a
18 dismissal with prejudice --

19 THE COURT: Could you repeat that?

20 MR. BEARD: *Power* -- sorry.

21 THE COURT: You were just talking very fast.

22 MR. BEARD: I apologize profusely. *Power Mosfet* --
23 that's M-o-s-f-e-t -- the clear standard of the federal
24 circuit is that a dismissal with prejudice is an adjudication
25 on the merits. They have conceded by dismissal with

1 prejudice of Count Three the merits of those allegations that
2 they set forward in our favor, which is to say that they
3 alleged non-infringement and invalidity on all eight counts
4 of patent infringement, we alleged. By operation of federal
5 circuit law, those are now adjudicated on the merits in our
6 favor.

7 THE COURT: So do you want to give me five pages or
8 two pages on *Power Mosfet* Techs, M-o-s-f-e-t?

9 MR. ATKINS: So I can -- I can tell you right now
10 but I'd be happy to give you as many pages as you want or as
11 few of pages.

12 THE COURT: No, few. Few, as few pages.

13 MR. ATKINS: Basically *Power Mosfet* was a situation
14 that involved 50 -- 54(d) costs, somebody pursuing costs.
15 And in that particular case, the plaintiff -- you know what,
16 I'll be happy to give you a few pages but the truth of the
17 matter is, you can look right now on our filing at Docket
18 Entry 48 and see that last line that says the answer is not
19 affected.

20 THE COURT: Okay. Listen, because I don't -- I
21 don't want to waste time so if this is meritorious, great.
22 But if this is -- if I read *Mosfet* and this is a waste of
23 time, I'm awarding fees to them, okay. That's all I'm
24 saying. So if you want to withdraw it, you can withdraw it.
25 But if this is -- I don't understand why they couldn't say in

1 good faith, look, we don't want our patent at issue anymore,
2 we withdraw it, we agree you, Otter, did not infringe our
3 patent, that seems like responsible lawyering to me. But we
4 still have a right to defend the case; and if by doing that
5 they made some mistake and under *Mosfet* they're out of luck
6 and they've lost their claims, well, then they're going to
7 have some explaining to do with their clients to be sure.
8 But if this is some case about awarding fees or something
9 like that and it's not exactly on all four square feet --
10 whatever that phrase is -- I'm awarding them fees. That's
11 all I'll say about it.

12 MR. BEARD: If I may, your Honor.

13 THE COURT: You have a week. I don't want more than
14 five pages. You have until tomorrow to withdraw this motion
15 if it's not exactly as strong as you think it is but I don't
16 want to spend time reading it if it's some gotcha thing
17 because I don't have time; and you don't have time either.
18 Okay. That's it. I'll see you later.

19 MR. BEARD: Your Honor, if I may.

20 MR. ATKINS: Thank you, your Honor.

21 THE COURT: No. Nope, nope. I don't want anymore.
22 I'll talk to you later.

23 MR. ATKINS: Thank you, your Honor.

24 THE COURT: I got lots of motions pending from you
25 guys and I'm looking forward to them. Okay. Next case.

1 (Which concluded the proceedings in the above-entitled
2 matter.)

3 C E R T I F I C A T E

4 I hereby certify that the foregoing is a transcript
5 of proceedings before the Honorable Mary M. Rowland on
6 February 27, 2020.

7
8 ***/s/Laura LaCien***

9 _____
10 Laura LaCien
11 Official Court Reporter

March 16, 2020
Date