

**IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
WESTERN DIVISION**

JOHN BEAN TECHNOLOGIES CORPORATION

PLAINTIFF

VS.

4:14-CV-00368-BRW

MORRIS & ASSOCIATES, INC.

DEFENDANT

ORDER

Pending is Defendant’s Motion for Attorney Fees and Costs (Doc. No. 178). Plaintiff has responded and Defendant has replied.¹ For the reasons set out below, the Motion is DENIED with prejudice as it relates to attorneys’ fees and DENIED without prejudice regarding costs.

I. BACKGROUND

Both parties manufacture, sell, and maintain “high side” auger-type poultry chillers. In a June 27, 2002 letter, Defendant informed Plaintiff that it was aware that Plaintiff was advising potential customers that Defendant’s chiller infringed on Plaintiff’s ‘622 patent.² Defendant informed Plaintiff that it believed the “claims of the patent [were] not valid” and thoroughly explained its position. Defendant asked Plaintiff to provide information to the contrary if Plaintiff disagreed with Defendant’s position. Plaintiff never responded to the letter, so Defendant continued to sell the chillers.

Nearly twelve years after receiving the letter, Plaintiff filed this case alleging that Defendant’s chiller “is a copycat of [its] innovative FATCAT chiller system that embodies the

¹Doc. Nos. 183, 184.

²Doc. No. 32-2.

patented invention of the ‘622 patent.’³ I granted Defendant’s Motion for Summary Judgment based on laches and equitable estoppel on December 14, 2016.⁴

II. DISCUSSION

A. Attorneys’ Fees

“The court in exceptional cases may award reasonable attorney fees to the prevailing party” in a patent case.⁵ The United States Supreme Court has held that:

an exceptional case is simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated. District courts may determine whether a case is “exceptional” in the case-by-case exercise of their discretion, considering the totality of the circumstances.⁶

When considering whether a case is exceptional, the Court referred to a list of “‘nonexclusive’ list of ‘factors’ such as ‘frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.’”⁷

Defendant argues that Plaintiff “fabricated this entire case by dusting off and laundering a 12-year old patent to throw at [Defendant] -- its primary competitor for poultry chillers -- in order to leverage a \$90 million purchase price for [Plaintiff’s] assets.”⁸ Plaintiff, of course, denies this claim. I have no idea whether Defendant’s claim is true. Additionally, Defendant

³Doc. No. 4.

⁴Doc. No. 174.

⁵35 U.S.C. § 285.

⁶*Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014).

⁷*Id.* at 1756, n.6 (quoting *Fogerty v. Fantasy*, 510 U.S. 517, 524, n.19 (1994)).

⁸Doc. No. 178.

provided no evidence to support its opinion other than broad speculation and the fact that John Bean Technologies (current Plaintiff) purchased Cooling and Applied Technologies (original Plaintiff) while this case was pending. Accordingly, Defendant's unsupported assertion is not evidence of an "exceptional case."

Defendant also contends that this case is exceptional because it "was doomed to fail from the outset based on [Defendant's] equitable estoppel and laches defenses" While Defendant ultimately was successful with this defense, I cannot find that Plaintiff's complaint was objectively unreasonable based on equitable estoppel and laches. If these defenses were so obvious and irrefutable, it seems to me that Defendant would have been diligently pursuing dismissal based on these defenses from the outset. Instead, Defendant included these defenses in its answer along with a plethora of other defenses, but did not file an appropriate motion.⁹ Rather than immediately putting the delay defenses on the table, Defendant asked to proceed with expedited discovery on the issues of "(1) claim construction; (2) facts concerning devices allegedly covered by the '622 patent; (3) [Plaintiff's] delay in asserting infringement of the '622 patent; and (4) the relative financial means of the parties."¹⁰ If this case were as objectively unreasonable as Defendant now claims, Plaintiff's delay in asserting infringement would have been the only discovery needed. Finally, it wasn't until over two years after this case was filed, and after thousands of pages of briefing on an array of topics which proved to be unnecessary,

⁹Fed. R. Civ. P. 7(b)(1) ("A request for a court order must be made by a motion."); Eastern District of Arkansas Local Rule 7.2 (e) ("Pretrial . . . motions to dismiss, shall not be taken up and considered unless set forth in a separate pleading accompanied by a separate brief.").

¹⁰Doc. No. 8.

the parties addressed the laches or estoppel issue. And even then, it was only after I suggested that we deal with the laches issue first.¹¹

The point is, if Plaintiff's claims were as objectively unreasonable and "exceptionally weak", as Defendant now claims, Defendant would have sought to have the case dismissed years ago. Instead, over a million dollars in attorneys fees were incurred by both sides while the case proceeded. The irony is that Defendant's delay in asserting the defenses resulted in the accumulation of fees for which they now seek reimbursement.

Defendant also argues that Plaintiff "knew its infringement position was untenable before the case was ever filed" because, during the reexamination of the '622 patent, Plaintiff told the USPTO that Defendant's product "did not infringe the patent."¹² Plaintiff disputes this claim, and it's not clear from the record what, exactly, happened. Be that as it may, this is a fact dispute that I need not decide at this point.

Defendant contends that Plaintiff "litigated this case in a wholly unreasonable manner."¹³ This argument is a wash, however, because from the beginning the parties were overly contentious. This may have stemmed from the parties' long history of competition, threatening to sue, and suing each other. However, if this case was litigated unreasonably, both parties are to blame.

Based on the totality of the circumstances, I do not believe that this was an "exceptional case." Though I am troubled by the fact that Defendant is now stuck footing the bill for a case that Plaintiff unreasonably and intentionally delayed in filing, I am also concerned that

¹¹Doc. No. 144.

¹²Doc. No. 178.

¹³*Id.*

Defendant, apparently, was not interested in getting the case dismissed quickly. Accordingly, this is not an “exceptional case” that warrants the award of attorneys’ fees under 35 U.S.C. § 285.

B. Costs

Plaintiff asserts that Defendant is not entitled to costs because it “fail[ed] to follow the mandatory statutory requirement of providing a verified bill of costs.”¹⁴ Plaintiff’s claim is without merit. However, Defendant’s request for costs needs some work. The motion reads:

Morris has incurred \$50,278 in taxable costs. Pursuant to 28 U.S.C. § 1920(1), Morris has incurred \$300 in fees of the clerk. (Chiles Dec. ¶ 19). Pursuant to 28 U.S.C. § 1920(2) Morris incurred \$76.65 in fees for an electronically recorded transcript of a court hearing necessarily obtained for use in the case (Id.) and \$36,702.05 in fees for printed or electronically recorded deposition transcripts necessarily obtained for use in the case. (Crain Dec., ¶ 11). Pursuant to 28 U.S.C. § 1920(4), Morris has incurred \$13,199.45 in fees for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case. (Crain Dec., ¶ 12).¹⁵

Providing the above paragraph and then referencing two affidavits that are nearly 200 pages long, is not helpful. Additionally, it appears that the alleged “costs” are listed under a category in the bill titled “Advances”; but I have no way of know if that is true and if every one of these “costs” is being requested.

Additionally, I have no idea what this means (and Defendant did not explain it in its motion):

eDiscovery Services / Data Storage: Native File Processing; Monthly Data Storage;
Monthly User Fee 04/01/16 - 04/30/16 Innovative Service Technology Management
Invoice No. 56211 2,932.70

¹⁴Doc. No. 183.

¹⁵Doc. No. 178.

The request appears several times and the requested costs ranges from \$111.75 to \$2,932.70. While I assume that it is for discovery storage, neither side has made that clear. Additionally, with such a variation in amounts and no explanation, I have no way of knowing whether the requested amounts are reasonable. Finally, Defendant provided no case law to support its position that these electronic-discovery storage costs are recoverable. A quick scan of case law reveals that recovery of these costs might not be permitted.

Accordingly, if Defendant wants to recover costs, it must file an amended motion for costs by 5 p.m., Friday, February 10, 2017. The motion should provide the law supporting the award of costs for each item, explain what eDiscovery Services is, and list only the cost items that it seeks. Plaintiff's response to the amended motion must be filed by 5 p.m., Friday, February 17, 2017.

CONCLUSION

Based on the findings of fact and conclusions of law above, Defendant's Motion for Attorney Fees and Costs (Doc. No. 178) is DENIED as it relates to attorneys' fees and DENIED without prejudice regarding costs.

IT IS SO ORDERED this 31st day of January, 2017.

/s/ Billy Roy Wilson
UNITED STATES DISTRICT JUDGE