

EXHIBIT 1

Not Reported in F.Supp.2d
Not Reported in F.Supp.2d, 2004 WL 2583951 (N.D.Ill.)
(Cite as: 2004 WL 2583951 (N.D.Ill.))

C

Only the Westlaw citation is currently available.

United States District Court,
N.D. Illinois, Eastern Division.
PLASTIC RECOVERY TECHNOLOGIES, INC.,
Plaintiff,
v.
CONTAINER COMPONENTS, INC., Defendant.
No. 04 C 5249.

Nov. 12, 2004.

MEMORANDUM OPINION AND ORDER

MORAN, Senior J.

*1 Plaintiff brought this action which, among other things, sought in Count I a declaration of non-infringement of a published patent application for lids for industrial waste containers or dumpsters. Defendant moved to dismiss Count I because no patent has yet issued. Plaintiff now seeks to amend Count I so as to expressly rely upon 35 U.S.C. § 154(d) and, consequently, to oppose the motion to dismiss.

The Federal Circuit in *GAF Building Materials Corp. v. Elk Corp. of Dallas*, 90 F.3d 479 (1996), was emphatic that threats of a suit when and if a patent issued did not present an Article III case or controversy if the patent had not yet issued--although a patent was, in all likelihood, going to issue. Does the later-enacted 35 U.S.C. § 154(d) change that determination? We think not.

35 U.S.C. § 154(d) permits a patent holder, once a patent issues, to recover a reasonable royalty for the period between publication of the application and the issue date, if the alleged infringer had actual notice of the application and the invention as claimed is substantially identical to the invention claimed in the application. That provision somewhat ratchets up the risk to the threatened party, but only somewhat, as the remedy is confined to a reasonable royalty. As the section indicates, moreover, it is a "provisional" right. It does not mature until a patent issues and the claims in the patent are substantially identical to the claims in the application. The Federal Circuit recognized that the threatened party in *GAF* had a reasonable apprehension that it would

be sued if a patent issued (and thus ran the risk of being enjoined from continuing to market an established product), but there was no certainty that a patent would issue and, if one issued, what rights it would confer. Nor was there a basis for specific relief, a declaration that a patent was invalid or not infringed because there was as yet no patent. Those uncertainties are present here as well, and 35 U.S.C. § 154(d) does not impact them. Accordingly, we deny the motion to amend as the amendment does not rescue Count I, and we dismiss Count I.

Defendant seeks also to dismiss Counts II, III and IV, contending they are moot if Count I is dismissed. But that contention is first advanced in its reply brief and is not part of its motion. Accordingly, we do not consider it.

Not Reported in F.Supp.2d, 2004 WL 2583951 (N.D.Ill.)

END OF DOCUMENT