

LIFETIME INDUSTRIES, INC. V. TRIM-LOK, INC., Appeal No. 2017-1096 (Fed. Cir. September 18, 2017). Before Lourie, Moore, and O'Malley. Appealed from N. D. Ind. (Judge Miller).

Background:

Lifetime sued Trim-lok for direct and indirect patent infringement based on Lifetime's patent directed to a seal installed in a recreational vehicle (RV).

Trim-lok moved to dismiss the complaint arguing that Lifetime had not adequately pleaded direct or indirect infringement.

The district court granted Trim-lok's motion to dismiss. For direct infringement, the district court held that the claims require both a two part seal and an RV, and Trim-lok only manufactures seals and thus cannot directly infringe Lifetime's claims. For indirect infringement, the district court held that Lifetime only made conclusory allegations that Trim-lok had acted knowingly and intentionally. Lifetime appealed.

Issue/Holding:

Did the district court err in holding that Lifetime did not adequately plead direct and indirect infringement to overcome the motion to dismiss? Yes, reversed and remanded.

Discussion:

The Federal Circuit stated that "a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face" and that this requirement is met if the complaint "pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged."

The Federal Circuit held that Lifetime's complaint had enough factual content to overcome the motion to dismiss for both direct and indirect infringement.

For direct infringement, Lifetime's complaint alleged that a Trim-lok agent either installed or assisted in the installation of the claimed seal on an RV, thereby directly infringing the claims. The Federal Circuit held that this was sufficient to plausibly establish direct infringement because Lifetime identified where the alleged infringement occurred, when it occurred, who performed the allegedly infringing act, and why the act was performed.

For indirect infringement, the Federal Circuit held that it was plausible that Trim-lok knew of Lifetime's patent because (1) two months before the alleged infringement, Trim-lok hired former Lifetime employees that knew of Lifetime's patent, (2) Trim-lok had the intent to infringe because it knew of Lifetime's patent, (3) Trim-lok never made or sold the patented seals prior to knowing of Lifetime's patent and (4) it was reasonable to infer that Trim-lok assisted in or directed the installation of the seal on an RV.

The Federal Circuit further reasoned that precedent requires that "a complaint place the alleged infringer on notice of what activity is being accused of infringement" and that Lifetime's complaint meets that requirement.