

EUGENE DIVISION

GLAS-WELD SYSTEMS, INC.
Plaintiff,

v.

**Michael P. BOYLE and
Christopher M. BOYLE,**
Defendants

Civil Action No.: 6:12-cv-2273-AA

**DEFENDENTS MOTION TO BIFURCATE
COUNT 7 AT PLAINTIFFS FIRST
AMENDEN COMPLAINT FOR PATENT
INFRINGEMENT**

REQUEST FOR ORAL ARGUMENT

In compliance with Local Rule 7-1(a), the defendant made a good faith effort through email to resolve the issues addressed in this motion and the opposing party willfully refused to confer.

MOTION

Defendants, Michael P. Boyle and Christopher M. Boyle, move this Honorable Court for an order pursuant to Rule 4261 bifurcating the trial of Count VI (unfair competition) from Counts I through VI (patent infringement).

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INTRODUCTION

1. Plaintiff's First Amended Complaint erroneously duplicates Count VI as contributory infringement of the 372 Patent by Christopher M. Boyle as well as Count VI, unfair competition by Defendants, Michael P. Boyle and Christopher M. Boyle. For clarity purpose, defendants will address the separate trial for unfair competition or Count VII. This Motion is based upon the attached Memorandum of Points and Authorities the Court's order dated June 2nd 4014,

Rule 42 (b) FRCP, provides for separate trials for the following reasons:

- a) Convenience
- b) Avoid prejudice
- c) To expedite and economize

All of these factors are satisfied in Defendants' motion to Bifurcate Claim VII (unfair competition) from Counts I thru VI (Patent infringement). The causes of action in the above described claims are totally different, the evidence, both documentary and testimonial are substantially different. The damages, although minimal at best, are different and undue prejudice will result from the listing of individual actions of one defendant being attributed to both. All of these issues will be addressed below.

FACTUAL AND PROCEDURAL BACK GROUND

The original Complaint in this case was filed against defendant Michael P. Boyle individually, on December 17, 2012. No allegation of unfair competition was included. Seven (7) months later, on July 24, 2013 Plaintiffs' first amended complaint was filed adding Christopher Boyle to the patent infringement counts and introducing an addition count of unfair competition against both defendants.

1 (Christopher M. Boyle was designated "as president and owner of "Surface Dynamix" which is demonstrably untrue. Plaintiffs' First Amended Complaint has introduced paragraphs 78 through

86 with exhibits, as alleged evidence to support their claims for unfair competition. The dates for these allegations occurred prior to the filing of the First alleged Complaint. Clearly, the Amended Complaint allegations are part of a tried strategy designed to raise questions of “bad conduct” to misdirect the jury’s focus on the technical patent infringement issue. That is reason enough to bifurcate the unrelated claims. More importantly, are the practical considerations of having two (2) distinct trials with separate evidence and witnesses will greatly expand the Court time and expense as envisioned in Rule 42(b) FRCP. Plaintiffs’ First Amended Complaint has introduced paragraphs 78 through 86 with exhibits, as alleged evidence to support their claims for unfair competition. The dates for these allegations occurred prior to the filing of the First alleged Complaint. Clearly, the Amended Complaint allegations are part of a tried strategy designed to raise questions of “bad conduct” to misdirect the jury’s focus on the technical patent infringement issue. That is reason enough to bifurcate the unrelated claims. More importantly, are the practical considerations of having two (2) distinct trials with separate evidence and witnesses will greatly expand the Court time and expense as envisioned in Rule 42(b) FRCP. **III.**

PATENT INFRINGEMENT (COUNTS I –VI) AND UNFAIR COMPETITION (COUNT VII) ARE DIFFERENT CAUSES OF ACTION.

Patent infringement claims and defenses are a unique, highly-specialized field of law requiring unique expertise on the part of the Court, counsel, and witnesses. The Markman claim construction findings of the trial court focus the evidence and expert witness testimony at trial in a fairly narrow way. Once the Markman rulings are completed. Discovery will be required pursuant to Rule 702 FRCP, with a Daubert hearing and findings to determine the scope and appropriateness of both parties' expert witnesses.

In contrast, evidence for the unfair competitions, as charged in count 7, are completely different and non-technical claim that has very little if any common facts with the patent infringement claims. The depositions, documents, testimony of factual and expert witnesses, will greatly exceed the length of time for the presentation of the patent infringement evidence the evidence presented by both parties will have no relevance or bearing on the resolution of the patent claims. Several illustrations prove the point:

a. Defendants are prepared to prove the truth of every email letter, sign and communication of plaintiff Glas-Weld policies and actions complained of in count 7. Depositions of Glas-Weld management and employees have been repeatedly requested by defendants and rejected by plaintiffs that pertain to the unfair completion allegations. Those depositions are required to clearly define the plaintiff's allegations.

b. Theft of customer list. Plaintiffs' counsel is well aware of several Glas-Weld customer lists that are a matter of public record including one they themselves released. Plaintiffs have included Michael Boyle' misdemeanor Alford plea as part of their patent infringement complaint. While any mention of a misdemeanor conviction is prohibited by Rule 609, Federal Rules of Evidence. There is a complete defense to the allegation which includes both present and past Glas-Weld employees as well as an expert forensic computer specialist who is identified the source of the disputed customer password.

There can be no doubt that allowing the unfair competition claim to be tried to a jury along with the patent infringement issues, will substantially extent the time, complexity and cost of the trial. There is also the great likely hood of confusing the jury and unfairly prejudicing the defendants who will have to combat even baseless allegations of bad conduct while simultaneously proving that their products are not infringing.

**IV. PLAINTIFFS UNFAIR COMPETITION ALLEGATIONS ARE UNSUPPORTED IN LAW
AND FACT.**

a) A cursory review of the allegations in Court VII shows a tangle of charges that do not constitute unfair competition as a matter of law. Publishing, e-mail and web site posting were Plaintiffs' complaint of are not unfair competition. Indeed, Defendants are prepared to prove the truth of the allegations through Glas-Weld personnel.

b) Theft of customer lists.

No theft of Glas-Weld customer lists exists. Plaintiffs' counsel knows that several customer lists are a matter of public record. As President of Glas-Weld Michael Boyle personally received the largest Glas-Weld customer and had no need for the company's list when he resigned. Further completion belonging to Michael Boyle containing customer information was personally turned over to Mr. Boyle by Glas-Weld employees. Copies of signed receipts are in Plaintiffs' possession.

1) MISDEMEANOR CONVICTION

Plaintiffs' attempts to limit Michael Boyle's Alford plea to a misdemeanor charge of Identity Theft as somehow evidence of unfair competition, failed for several reasons. Rule 609 Federal

prohibits the introduction of that evidence. More importantly an expert forensic computer data specialist has identified the source of the disputed customer list which is not attributed to Mr. Boyle. Defendant Michael Boyle asks the court to understand that the Alford plea was unsolicited from the Deschutes County DA. No evidence existed, and the defendant's trial was delayed 3 times because of in custody defendants. These few examples demonstrate that not only the inappropriateness of the so called unfair competition charge, but also the substantial extension of discovery, trial time, complexity, and cost of allowing Count VII to be coupled with the patent infringement claims. A lay jury cannot expect to fairly and competently separate facts and prejudicial "bad conduct" allegations from considerations of whether Defendants' products infringe Glas-Weld's patents. In addition the defendants acceptance of an the unsolicited Alford Plea did not have any charges of theft of trade secrets, in addition no fines, penalties' or jail time was assessed. The only condition of the plea was that the Defendant (Michael P. Boyle) has no contact with the plaintiff for 12 months. The defendant honored that stipulation. It seems rather coincidental that the plaintiff's infringement suit was filed with 8 days of the acceptance of the plea. The conviction was clearly used to soil the defendant's (Michael Boyle) Reputation.

VI. POTENTIAL DAMAGES IN PATENT INFRINGEMENT CLAIMS AND THE UNFAIR COMPETITION CLAIM ARE TOTALLY DIFFERENT

Plaintiffs have not specified in their Complaint the specific amount and source of damages stemming from the alleged infringement of the 180 and 370 products. Defendants' attempts through the discovery procure to ascertain the lost profits due to purchase of the Surface Dynamix products instead of Glas-Weld have been denied as "confidential" information. Any attempt to gather sales information to quantify the alleged losses have been resisted by Plaintiffs. It is Plaintiffs burden to prove the amount of Damages and specific source of the loss of sales which they have refused to do. What Defendants know is that the total sales in the U.S. from the pertinent Surface Dynamix products is well below \$10,000. That figure is likely to be substantially less if Plaintiffs cannot prove that a specific customer bought Surface Dynamix products over Plaintiffs patented products. Damages attributable to unfair competition claims are even more remote. Only paragraph 87 of the Complaint alleges a loss of sales because Defendants sold "unauthorized Glas-Weld knock off products". Plaintiff's attached the front page of the Surface Dynamix web site as evidence to support this claim. What plaintiffs omitted from exhibit M is the information provided to the customers when a product is "clicked upon" for purchase. The complete web site contains the information that Gal-Weld items are a "refurbished" (not new) product. In other words the product for sale by Surface Dynamix had already entered the stream of commerce in the initial sale and had been re-tooled and polished for re-sale a reduced price. This kind of activity happens thousands times a day on E-bay and Craig's List. Since there is no "manufacturing" there are no "knock off products" and thus no legitimate claim for damages. Plaintiff claim of a proprietary thread design is a false statement.

3. A similar deception is found in paragraph 84 that alleges that a customer was dissatisfied with a manufactured Glas-Weld product sold by Surface Dynamix of course that customer bought a used Glas-Weld product and refused to return phone calls from Michael Boyle concerning his failure to pay for the product. The customer failed to pay for the product.

COUNT VII COULD NOT BE FILED IN FEDERAL COURT

While this Federal Court has exclusive jurisdiction in patent law controversies under 28 USC 1331; 1338. The lack of diversity minimal damages at issue would prevent Count VII from being filed in Federal Court as a “stand alone” cause of action. If Plaintiffs truly believe that unfair competition has occurred let them file in Oregon State Court, which is the appropriate forum.

Prayer

The defendants ask that the motion to bifurcate Claim 7 be ordered, and plaintiffs Counsel be sanctioned as the court sees fit.



Michael P. Boyle, Defendant



Christopher Boyle Defendant