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6 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**  
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9 Heary Bros. Lightning Protection Company  
10 Incorporated, et al.,

11 Plaintiffs,

12 v.

13 East Coast Lightning Equipment  
14 Incorporated,

15 Defendant.

No. CV-96-02796-PHX-DLR

**ORDER**

16  
17 Defendant East Coast Lightning Equipment, Inc. (“East Coast”) moves for an order  
18 compelling compliance with the injunction in this action, and to reopen the case for limited  
19 discovery into additional violations of the injunction.<sup>1</sup> (Doc. 478.) The motion is fully  
20 briefed.<sup>2</sup> (Docs. 487, 488.) For the reasons below, East Coast’s motion is granted.

21 **I. Background**

22 Manufacturers and distributors of lightning protection systems, including Plaintiff  
23 National Lightning Protection Corporation (“NLPC”), brought this action against industry  
24 trade associations and competitors, asserting violations of Sherman Act, Lanham Act, and  
25 state law in connection with the trade associations’ failure to adopt a standard for Early

26 <sup>1</sup> East Coast’s motion is brought against Plaintiff National Lightning Protection  
27 Corporation only.

28 <sup>2</sup> Neither party requested oral argument, and after reviewing the parties’ briefing  
and the record, the Court finds oral argument unnecessary. *See* Fed. R. Civ. P. 78(b);  
LR Civ. 7.2(f).

1 Stream Emissions (“ESE”) lightning protection systems. East Coast, NLPC’s competitor,  
2 filed a counterclaim alleging false advertising under § 43(a) of the Lanham Act, 15 U.S.C.  
3 § 1125(a).

4 In October 2003, the Court granted summary judgment in favor of East Coast on its  
5 § 43(a) claims, finding that NLPC’s advertisements were “literally false” because the tests  
6 on which NLPC bases its advertising claims are not sufficiently reliable to establish that  
7 NLPC’s ESE air terminal products provide an enhanced zone of protection within a  
8 specific, measurable radius and protection against lightning strikes in open spaces. (Doc.  
9 341 at 45-56.)

10 In October 2005, the Court enjoined NLPC and its “successors, officers, agents,  
11 employees, dealers, distributors, . . . and [] all persons, partnerships or corporations in  
12 present or future active concert or participation” with NLPC from the following:

13 (1) . . . advertising that [it] sell[s] a lightning protection system  
14 utilizing air terminals that provide a measurable zone of  
15 protection, greater than systems installed in accordance with  
NFPA 780;<sup>3</sup> and/or that the system can function effectively to  
protect open spaces; and

16 (2) . . . advertising that [it] sell[s] an “improved,” “enhanced,”  
17 or “more efficient” lightning protection system utilizing air  
18 terminals that rely on calculations of an enhanced range of  
protection; and

19 (3) . . . advertising that any “enhanced” air terminal system  
20 manufactured, marketed, and/or sold by [NLPC] . . . including  
but not limited to the [ESE] air terminal product . . .

21 (a) is accepted by Underwriters Laboratories (“UL”) . .  
22 . [or] the National Electric Code (“NEC”);

23 (b) has been tested and certified by a private testing lab  
24 to provide a measurable zone of protection greater than  
25 systems installed in conformance with NFPA 780;

26 (c) is able to protect open areas, including but not  
27 limited to amusement parks, golf courses, stadiums, and  
28 playing fields.

(Doc. 391 at 2-3.) The Court’s injunction was affirmed on appeal. *Heary Bros. Lightning*

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<sup>3</sup> NFPA 780 is a standard for the installation of lightning protection systems promulgated by the National Fire Protection Association. (Doc. 464 at 2 n.1.)

1 *Protection Co., Inc. v. Lightning Prot. Inst.*, 262 Fed. App'x 815, 817 (9th Cir. 2008).

2 The Court retained jurisdiction over the action to monitor compliance with the  
3 injunction. (Doc. 391 at 4.) In January 2006, East Coast filed a motion to compel  
4 compliance, which was denied. (Docs. 431, 449.) East Coast again filed a motion to  
5 compel compliance in June 2008, which the Court granted, requiring that NLPC comply  
6 with the injunction or be held in contempt and sanctioned in the form of damages and  
7 attorneys' fees. (Doc. 464.)

8 On May 25, 2018, East Coast filed yet another motion to compel compliance with  
9 the Court's injunction and reopen the case to permit further discovery, which is presently  
10 before the Court. (Doc. 478.)

## 11 **II. Discussion**

12 East Coast's argument is threefold. First, East Coast contends that NLPC's website  
13 is non-compliant with the Court's injunction because it falsely advertises that its products  
14 protect open spaces. Next, East Coast asserts that NLPC violates the injunction by  
15 impermissibly advertising that its ESE air terminals are UL certified. Alternatively, East  
16 Coast seeks limited discovery on the issue. Finally, East Coast argues that the Court should  
17 reopen the case for limited discovery into whether NLPC is improperly advertising that  
18 installation of its ESE system is UL certified. The Court discusses each in turn.

### 19 **A. Open Areas**

20 East Coast argues that NLPC's website improperly implies that its "Prevelectron  
21 device protects open areas," by listing all locations in which its devices have been installed.  
22 (Doc. 488 at 5.) On appeal, the Ninth Circuit stated: "the injunction does not prevent any  
23 truthful advertising concerning [NLPC's] experiences with the ESE systems . . . as long as  
24 [NLPC] do[es] not use such evidence to support claims that ESE systems . . . can protect  
25 open spaces." *Lightning Prot. Inst.*, 262 Fed. App'x at 817. The injunction defines the  
26 term "open spaces" as "including but not limited to amusement parks, golf courses,  
27 stadiums, and playing fields." (Doc. 391 at 2-3.)

28 East Coast does not argue that NLPC's lists are inaccurate. Rather, East Coast

1 contends that, inconsistent with the injunction, NLPC offers the lists as evidence to support  
2 claims that its ESE systems can protect open spaces. (Doc. 478 at 11.) For example, on  
3 NLPC’s website, under the header “Partial List of Prevectoron Users,” and sub-header  
4 “Stadiums,” NLPC provides a list of over twenty college and professional stadiums in  
5 which it has installed its ESE system. (Doc. 478-3 at 3-4.) Similarly, under the sub-header  
6 “Entertainment, Resorts, and Hotels,” NLPC lists numerous golf courses (i.e., Pine  
7 Meadows Golf Club, PGA Championship Bellerive Golf Club), amusement parks (i.e., Sea  
8 World, Highland Hills Water World), and hotels (i.e., Marriot Star Pass Resort) where  
9 Prevectoron has been installed. (*Id.* at 5-7.)

10 The Court agrees that NLPC’s user list is intended to serve as testimonial evidence  
11 of its products ability to protect open spaces. NLPC argues that its list does not violate the  
12 injunction because it “makes no statements . . . regarding the efficacy of any completed  
13 installations on its website.” (Doc. 487 at 7.) The injunction, however, expressly prohibits  
14 advertising, “whether explicitly or *implicitly*.” (Doc. 391 at 2) (emphasis added). The  
15 implication from the list is that its system successfully protected the location where it was  
16 installed. Therefore, the Court finds NLPC’s “Partial List of Prevectoron Users” is non-  
17 compliant with the injunction.

18 **B. UL Certified Component Parts**

19 Next, East Coast argues that NLPC violated the injunction by advertising that its  
20 ESE air terminals are UL certified. Specifically, NLPC’s website states that its TS25, 3  
21 S40, 3 S60, and 3 S60TC ESE air terminals are UL certified. (Docs. 478-4; 478-6.) East  
22 Coast highlights that this type of advertisement directly contradicts the Court’s injunction,  
23 which prohibits NLPC from advertising that its ESE systems, “including but not limited to  
24 the [ESE] air terminal product,” is “accepted” by UL and “provide[s] a measurable zone  
25 of protection greater than systems installed in conformance with NFPA 780.” (Doc. 391  
26 at 2-3.)

27 In response, NLPC argues that East Coast is “wrong that the injunction can be  
28 interpreted by this Court to bar NLPC from truthfully stating that component parts in its

1 ESE system of are certified by UL . . . .” (Doc. 487 at 9.) In support, NLPC relies on the  
2 Court’s September 13, 2005 ruling on the parties’ proposed forms of injunction, which  
3 states: NLPC “may not be enjoined from truthful advertising that component parts of the  
4 ESE system are listed with UL, as long as that advertising is not done in a manner that  
5 reasonably implies that UL has endorsed the system as a whole . . . .” (Doc. 388 at 8.)  
6 NLPC also relies on language from the Ninth Circuit’s opinion: “the injunction does not  
7 prevent any truthful advertising concerning . . . compliance with foreign standards . . . as  
8 long as [NLPC] do[es] not use such evidence to support claims that ESE systems provide  
9 a measurable zone of protection greater than NFPA 780.” *Lightning Prot. Inst.*, 262 Fed.  
10 App’x at 817.

11 The express language of the injunction, which was issued after the September 2005  
12 ruling cited by NLPC, clearly contemplates that NLPC shall not market its ESE air  
13 terminals as UL certified. The Ninth Circuit upheld the scope of this injunction on appeal.  
14 Nevertheless, NLPC unpersuasively attempts to sow seeds of inconsistency where none  
15 exist. Based on the language of the Court’s September 2005 ruling on the proposed forms  
16 of injunction and its October 2005 injunction, it is clear that the Court contemplated ESE  
17 air terminals to be a product and not a component part. This understanding is consistent  
18 both with the fact that the air terminals have component parts, including internal circuits,  
19 a central rod, and self-testing remotes (Docs. 478-4; 478-6), and with the Court’s prior  
20 orders.

21 For instance, in ruling on East Coast’s 2008 motion to compel, the Court found that  
22 NLPC’s display of the Applied Research Laboratories logo, and the accompanying  
23 statement “Listed and Factory Inspected Components by Applied Research Laboratories”  
24 with its Preventor 2005 did not violate the injunction. (Doc. 464 at 4.) The Court reasoned  
25 that the “Applied Research Laboratories certification—which specifies that *components*  
26 were inspected—is specific enough to not constitute a claim that Applied Research  
27 Laboratory is endorsing” the entire product. (*Id.*) Unlike with the Preventor 2005  
28 advertisement, NLPC is now advertising that the entire air terminal is UL certified.

1 Moreover, NLPC expressly advertises that its ESE air terminals are “certified by  
2 Underwriters Laboratories (UL) to fully conform to NF C 17-102” which purports to have  
3 a measurable zone of protection greater than NFPA 780. (Docs. 478-7; 478-8; 478 at 15);  
4 *See* <http://www.theprotectionsource.com/Prevectron/prevectron.html>. The Court therefore  
5 finds NLPC’s advertisements that ESE air terminals are UL certified violates the  
6 injunction.

7 East Coast also asserts that NLPC’s website improperly listed its Prevectron 3  
8 S60TC device as UL certified under File E493371. (Doc. 478-4.) After East Coast’s  
9 motion, but before filing its response in opposition, NLPC modified its webpage to state  
10 that the “S60TC combines the Prevectron S60 (UL File E493371) and the US-1585 self-  
11 test module.” (Doc. 487 at 8-9.) For the same reasons explained above, NLPC’s  
12 modification fails to cure its non-compliant advertisement, as it still improperly markets its  
13 ESE air terminal as UL certified in violation of the express language of the Court’s  
14 injunction.<sup>4</sup>

### 15 C. UL Certified Installations

16 Finally, East Coast argues that UL’s program certifying installations of ESE systems  
17 “may violate the Court’s injunction . . . thereby justifying” reopening the case for limited  
18 discovery. (*Id.* at 17.) “UL can now provide an Engineering Inspection Report for ESE  
19 systems installed in the USA using UL certified Early Streamer Emissions Air Terminals  
20 (ESEAT).” (Doc. 478-10 at 2.) In support, East Coast notes that the injunction, which  
21 prohibits advertising that the ESE system as a whole or its installation is UL certified,<sup>5</sup>  
22 applies to NLPC’s “agents, employees, dealers, distributors, and . . . on persons,  
23 partnerships or corporations in present or future active concern or participation with  
24 [NLPC]. . . .” (Doc. 391 at 2.) Moreover, East Coast has offered evidence that a job

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25 <sup>4</sup> East Coast’s alternative request for discovery on whether the air terminal  
26 constitutes an ESE system or a component part for purposes of the injunction is denied  
because there already is sufficient evidence that NLPC’s website violates the injunction.

27 <sup>5</sup> NLPC “may not be enjoined from truthful advertising that component parts of the  
28 ESE system are listed with UL, as long as that advertising is not done in a manner that  
reasonably implies that UL has endorsed the system as a whole, *or its installation.*” (Doc.  
388 at 8) (emphasis added).

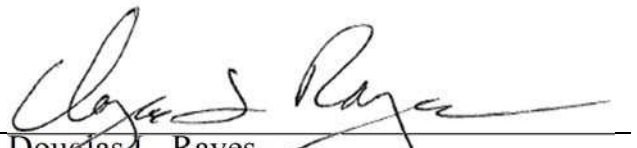
1 specification for an NLPC ESE system requested a UL Engineering Inspection Report for  
2 the system's installation. (Doc. 488-2.) The Court grant's East Coast's request because  
3 there is sufficient evidence justifying limited discovery into UL's Engineering Inspection  
4 Report and NLPC's use of such in its advertising.

5 **IT IS ORDERED** that East Coast's motion to compel compliance and reopen the  
6 case for limited discovery into UL's Engineering Inspection Report and NLPC's use of  
7 such in its advertising (Doc. 478) is **GRANTED** as described herein.

8 **IT IS FURTHER ORDERED** that NLPC shall, within **30 days** of this order, revise  
9 its advertising in accordance with this order. Failure to comply with the Court's order may  
10 result in NLPC being held in contempt and sanctions may be imposed, including damages,  
11 attorneys' fees, and costs.

12 **IT IS FURTHER ORDERED** that the parties shall appear telephonically on  
13 **February 21, 2019 at 9:00 a.m.** in Courtroom 606, 401 West Washington Street, Phoenix,  
14 AZ 85003 before Judge Douglas L. Rayes to discuss parameters of discovery. Counsel for  
15 Plaintiff is responsible for making the necessary arrangements for the conference call. All  
16 parties participating in the conference call shall do so via a landline only. The use of  
17 cellular phones will not be permitted.

18 Dated this 13th day of February, 2019.

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23 Douglas L. Rayes  
24 United States District Judge  
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