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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 AMERICAN FIREGLASS, a California
12 corporation,
13 Plaintiff,
14 v.
15 MODERUSTIC, INC., a California
16 corporation,
17 Defendant.

Case No.: 15-CV-2866 JLS (BGS)

**ORDER: (1) GRANTING IN PART
AND DENYING IN PART
PLAINTIFF’S MOTION FOR
SUMMARY JUDGMENT; AND
(2) GRANTING DEFENDANT’S
MOTION FOR SUMMARY
JUDGMENT**

(ECF Nos. 122, 123)

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19 Presently before the Court is Plaintiff American Fireglass’ Motion for Summary
20 Judgment of Defendant’s infringement and false advertising and unfair business practices
21 claims. (“Pl. MSJ,” ECF No. 122). Defendant Moderustic, Inc. filed a Response in
22 Opposition to (“Def. Opp’n,” ECF No. 129) and Plaintiff filed a Reply in Support of (“Pl.
23 Reply,” ECF No. 131) Plaintiff’s Motion.

24 Also before the Court is Defendant’s Motion for Summary Judgment of Plaintiff’s
25 false advertising and unfair business practices claims. (“Def. MSJ,” ECF No. 123).
26 Plaintiff filed a Response in Opposition to (“Pl. Opp’n,” ECF No. 125) and Defendant filed
27 a Reply in Support of (“Def. Reply,” ECF No. 132) Defendant’s Motion.

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1 The Court heard oral argument on March 7, 2019, and took the matter under
2 submission. Having considered the parties' arguments, the evidence, and the law, the Court
3 (1) **GRANTS IN PART AND DENIES IN PART** Plaintiff's Motion and (2) **GRANTS**
4 Defendant's Motion as follows.

5 **BACKGROUND**

6 Since 2005, Plaintiff American Fireglass has manufactured and sold pieces of broken
7 tempered glass for use in fireplaces and fire pits. Declaration of Matt Doll ("Doll Decl.")
8 ¶ 4, ECF No. 122-3. Defendant Moderustic is Plaintiff's competitor and has manufactured,
9 sold, and distributed fireglass for use in aquariums, fireplaces, and firepits through its
10 website since April 2003. Declaration of Edgar Jaunzemis ("Jaunzemis Decl.") ¶¶ 2-3,
11 ECF No. 123-7.

12 **I. Defendant's Related Patent Applications**

13 The long journey toward the issuance of the patent at issue began on April 14, 2003
14 when Defendant's founder, Mr. Edgar Jaunzemis, filed patent application number
15 10/413,620 seeking to patent a process related to tumbled or vibrated, polished, and broken
16 tempered glass pieces. Pl. Ex. 28 at 1, ECF No. 83-29.¹ Defendant eventually abandoned
17 that patent application. *See id.* On December 28, 2005, Defendant filed patent application
18 11/319,957 (the "'957 Application"). Pl. MSJ at 8 (citing Pl. Ex. 10 at 93-94, ECF No.
19 83-11). The U.S. Patent and Trademark Office ("PTO") considered two prior art
20 references: U.S. Patent No. 6,409,500 B2 (the "Georgantas Patent") and U.S. Patent No.
21 5,486,135 (the "Arpaio Patent"). *Id.* at 8-9 (citing Pl. Ex. 9 at 1-3, ECF No. 83-10; Pl. Ex.
22 4 at 9, ECF No. 83-5).

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26 ¹ Both parties previously filed Motions for Summary Judgement. *See* ECF Nos. 83, 104. Following the
27 Court's Claim Construction Order, ECF No. 111, the Court granted the parties' requests to amend their
28 motions and vacated the previous motions. ECF No. 118. Both parties cite to the exhibits attached to
their previous motions.

Pin citations to docketed materials refer to the CM/ECF numbers digitally stamped at the top of each page.

1 The PTO issued a final office action on March 26, 2008, rejecting all claims in the
2 '957 Application because it would have “been obvious to one having ordinary skill in the
3 art at the time the invention was made to modify the method of Georgantas with the
4 tumbling and vibrating steps disclosed by Arpaio in order to polish glass fragments.” *Id.*
5 at 9 (quoting Pl. Ex. 11 at 6, ECF No. 83-12; Declaration of Charles Reidelbach
6 (“Reidelbach Decl.”) ¶ 6, ECF No. 122-2).

7 Mr. Jaunzemis appealed the PTO’s decision to the Board of Patent Appeals and
8 Interferences; the Board rejected most of Mr. Jaunzemis’ claims as obvious in light of the
9 prior art, but reopened prosecution on six claims. *Id.* (citing Pl. Ex. 12 at 8, ECF No. 83-13;
10 Reidelbach Decl. ¶ 7). Mr. Jaunzemis repackaged his claims and, on July 12, 2011, the
11 PTO issued U.S. Patent No. 7,976,360 (the “’360 Patent”). *Id.* (citing Pl. Ex. 14 at 1-18,
12 ECF No. 83-15; Reidelbach Decl. ¶ 8).

13 After the ’360 Patent issued, Plaintiff filed an *inter partes* review petition with the
14 PTO. *Id.* at 10. The PTO re-examined the ’360 Patent and rejected all of the ’360 Patent
15 claims as obvious in light of prior art. *Id.* (citing Pl. Ex. 6, ECF No. 83-7). Defendant
16 appealed that ruling to the Patent Trial and Appeal Board, which affirmed, and then re-
17 affirmed, the PTO’s decision. *Id.* (citing Pl. Ex. 22 at 21, ECF No. 83-23; Pl. Ex. 29 at 10,
18 ECF No. 83-30). Defendant appealed those rulings to the Federal Circuit, which affirmed
19 the PTO’s decision. *Id.* (citing Pl. Ex. 30 at 3, ECF No. 83-31; Reidelbach Decl. ¶ 9).

20 **II. The ’505 Patent**

21 On July 11, 2011, while the ’360 Patent was pending, Defendant filed another patent
22 application as a continuation of the ’957 Application. *Id.* (citing Reidelbach Decl. ¶ 10).
23 The PTO granted Defendant’s application, resulting in the issuance of the patent at issue,
24 U.S. Patent No. 8,419,505 (the “’505 Patent”) on April 16, 2013. *Id.* at 11 (citing
25 Reidelbach Decl. ¶ 12).

26 During prosecution of the ’505 Patent, Plaintiff’s counsel sent several letters to
27 Defendant’s attorney of record because Plaintiff believed Defendant had failed to disclose
28 the prior rejection of the related ’360 Patent. Reidelbach Decl. ¶ 12. Plaintiff’s counsel

1 considered the failure to disclose the rejection to be inequitable conduct in violation of
2 Defendant's duty of candor and good faith in dealing with the PTO. *Id.* (citing Pl. Ex. 19
3 at 1–3, ECF No. 83-20). After receiving these letters, and after the '505 Patent issued,
4 Defendant filed a Request for Supplemental Examination. Pl. MSJ at 11 (citing Pl. Ex. 21,
5 ECF No. 83-22). On reexamination, the PTO rejected all claims as obvious. *Id.* (citing Pl.
6 Ex. 23 at 1, 4, ECF No. 83-24; Reidelbach Decl. ¶ 13).

7 Defendant then submitted an amendment to narrow the '505 Patent's claims. *Id.* at
8 12 (citing Pl. Ex. 24 at 6–7, ECF No. 83-25). After several exchanges between Defendant
9 and the PTO Examiner, the PTO issued an *ex parte* reexamination certificate of the '505
10 Patent on November 26, 2014. *Id.* at 13 (citing Pl. Ex. 28 at 1–2, ECF No. 83-29;
11 Reidelbach Decl. ¶ 16).

12 The final '505 Patent is described as follows:

13 This invention is directed to the creation of smoothed, heat-
14 treated glass fragments. The invention places heat-treated glass
15 fragments (i.e., glass that has been previously heated so that it
16 will not crack or shatter under later heat) into a tumbling or
17 vibrating apparatus. These glass fragments are then tumbled or
18 vibrated for a period of time so that the surfaces of the glass
19 fragments are smoother than prior to tumbling. The glass
fragments are thereafter removed from either apparatus, resulting
in smoothed, heat-treated glass fragments that are suitable for
direct handling without hand protection.

20 Claim Construction Order at 5–6, ECF No. 111.

21 **III. Defendant's Enforcement Threats**

22 Following the issuance of the '505 Patent, Mr. Jaunzemis began contacting Plaintiff,
23 Plaintiff's dealers, and other glass sellers regarding alleged infringement of the '505 Patent.
24 Pl. MSJ at 16 (citing Doll Decl. ¶ 11). Defendant sent one such email on February 10,
25 2015, to The Magic of Fire, a company that purchases fireglass from Plaintiff. ECF No.
26 12-2. In that email, Mr. Jaunzemis stated that

27 "Moderustic is proud to have been issued 2 U.S. Patent Numbers,
28 7,976,360 B2 (in reconsideration), and 8,419,505 C1. . . . These

1 patents and applications cover our method of creating tumbled
2 tempered glass for use in fireplaces and fire pits. . . . Since
3 [Moderustic was] the first to file (with the patent office) we do
4 hold the patent rights, and we may, if we so choose, [] enforce
5 our intellectual property rights. . . . We need to see whether you
6 are (allegedly) infringing as there may be legal repercussions.”

6 *Id.* at 4–5. In October 2015, Defendant stated in a newspaper article, printed in *The Sun*
7 *Business*, that Mr. Jaunzemis is “going after the companies he says are infringing on his
8 patents” and that “he hopes to shut down competition and bring his annual sales up.” ECF
9 No. 12-4 at 2. Throughout the patent application process for both the ’360 and ’505
10 Patents, Defendant posted updates on its website about its patent rights, making various
11 threats about potential enforcement. *See* Doll Decl. ¶ 16 (citing ECF No. 12-12 at 1–3).

12 **IV. Plaintiff’s References to Tumbling on Its Website**

13 In 2005, Plaintiff began selling tempered glass fragments for use in firepits. Doll
14 Decl. ¶ 4. Although Plaintiff originally tumbled many of its products, by November 2014
15 it had completely “stopped tumbling the tempered glass fragments that it sold because
16 tumbling slowed production and caused the glass fragments to become scratched and dull
17 and less desirable.” *Id.* ¶ 9. During this shift in its production methods and beginning on
18 or about March 1, 2010, Plaintiff “began removing references to tumbling its fireglass from
19 its advertising and promotional material, including its web site.” *Id.* Plaintiff “mistakenly
20 overlooked some products that appeared on its website” but “removed these remaining
21 references to tumbling . . . immediately after it was brought to [Plaintiff’s] attention in
22 August 2016.” *Id.*; *see also* Juanzemis Decl. ¶ 9–13.

23 **LEGAL STANDARD**

24 Under Federal Rule of Civil Procedure 56(a), a party may move for summary
25 judgment as to a claim or defense or part of a claim or defense. Summary judgment is
26 appropriate where the Court is satisfied that there is “no genuine dispute as to any material
27 fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a);
28 *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). Material facts are those that may affect

1 the outcome of the case. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A
2 genuine dispute of material fact exists only if “the evidence is such that a reasonable jury
3 could return a verdict for the nonmoving party.” *Id.* When the Court considers the
4 evidence presented by the parties, “[t]he evidence of the non-movant is to be believed, and
5 all justifiable inferences are to be drawn in his favor.” *Id.* at 255.

6 The initial burden of establishing the absence of a genuine issue of material fact falls
7 on the moving party. *Celotex*, 477 U.S. at 323. The moving party may meet this burden
8 by identifying the “portions of ‘the pleadings, depositions, answers to interrogatories, and
9 admissions on file, together with the affidavits, if any,’” that show an absence of dispute
10 regarding a material fact. *Id.* When a party seeks summary judgment as to an element for
11 which it bears the burden of proof, “it must come forward with evidence which would
12 entitle it to a directed verdict if the evidence went uncontroverted at trial.” *See C.A.R.*
13 *Transp. Brokerage Co. v. Darden Rests., Inc.*, 213 F.3d 474, 480 (9th Cir. 2000) (quoting
14 *Houghton v. South*, 965 F.2d 1532, 1536 (9th Cir. 1992)).

15 Once the moving party satisfies this initial burden, the nonmoving party must
16 identify specific facts showing that there is a genuine dispute for trial. *Celotex*, 477 U.S.
17 at 324. This requires “more than simply show[ing] that there is some metaphysical doubt
18 as to the material facts.” *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574,
19 586 (1986). Rather, to survive summary judgment, the nonmoving party must “by her own
20 affidavits, or by the ‘depositions, answers to interrogatories, and admissions on file,’
21 designate ‘specific facts’” that would allow a reasonable fact finder to return a verdict for
22 the non-moving party. *Celotex*, 477 U.S. at 324; *Anderson*, 477 U.S. at 248. The
23 non-moving party cannot oppose a properly supported summary judgment motion by
24 “rest[ing] on mere allegations or denials of his pleadings.” *Anderson*, 477 U.S. at 256.

25 ANALYSIS

26 I. Plaintiff’s Motion for Summary Judgment

27 Plaintiff moves for summary judgment of Defendant’s counterclaims. Pl. MSJ at
28 19, 27. Defendant’s first counterclaim alleges that Plaintiff infringes the ’505 Patent. *Id.*

1 at 19; Answer to Compl. ¶¶ 12–25, ECF No. 22. The remaining counterclaims allege that
2 Plaintiff’s website contains false statements that constitute unfair competition and false
3 advertising under federal and California laws. Pl. MSJ at 27; Answer ¶¶ 26–52.

4 Plaintiff argues that the Court should grant summary judgment as to Defendant’s first
5 counterclaim on the grounds that the claims in the ’505 Patent are (1) invalid because they
6 cover only subject matter that would have been obvious at the time of invention to a person
7 of ordinary skill in the art, Pl. MSJ at 19-26; and (2) Plaintiff does not infringe the ’505
8 Patent because Plaintiff ceased tumbling its fireglass products before the patent was issued.
9 *Id.* at 26–27.

10 **A. Obviousness**

11 “A patent is presumed to be valid, and this presumption only can be overcome by
12 clear and convincing evidence to the contrary.” *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598
13 F.3d 1336, 1354 (Fed. Cir. 2010) (en banc) (quoting *Enzo Biochem, Inc. v. Gen-Probe,*
14 *Inc.*, 424 F.3d 1276, 1281 (Fed. Cir. 2005)); *see* 35 U.S.C. § 282. A patent is invalid due
15 to obviousness “if the differences between the subject matter sought to be patented and the
16 prior art are such that the subject matter as a whole would have been obvious at the time
17 the invention was made to a person having ordinary skill in the art to which said subject
18 matter pertains.” 35 U.S.C. § 103(a).

19 “Generally, a party seeking to invalidate a patent as obvious must demonstrate by
20 clear and convincing evidence that a skilled artisan would have had reason to combine the
21 teaching of the prior art references to achieve the claimed invention, and that the skilled
22 artisan would have had a reasonable expectation of success from doing so.” *In re*
23 *Cyclobenzaprine Hydrochloride Extended-Release Capsule Patent Litig.*, 676 F.3d 1063,
24 1068–69 (Fed. Cir. 2012) (internal quotation marks omitted). “Thus, the inquiry on
25 summary judgment is whether a jury applying the clear and convincing evidence standard
26 could reasonably find, based on the evidence produced by the accused infringer, that the
27 claimed invention was obvious.” *Volterra Semiconductor Corp. v. Primarion, Inc.*, 796 F.

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1 Supp. 2d 1025, 1060 (C.D. Cal. 2011) (citing *TriMed, Inc. v. Stryker Corp.*, 608 F.3d 1333,
2 1339–1340 (Fed. Cir. 2010)).

3 “Obviousness is a question of law based on underlying findings of fact.” *In re Kubin*,
4 561 F.3d 1351, 1355 (Fed. Cir. 2009). When determining whether a patent is invalid for
5 obviousness, the district court must first make the following four underlying factual
6 determinations: (1) the scope and content of the prior art; (2) the differences between the
7 prior art and the claims at issue; (3) the level of ordinary skill in the pertinent art; and
8 (4) whether any relevant secondary considerations rebut obviousness. *Graham v. John*
9 *Deere Co.*, 383 U.S. 1, 17–18 (1966). Secondary considerations are only relevant if there
10 is a nexus between the secondary considerations and the claimed invention. *Ormco Corp.*
11 *v. Align Tech. Inc.*, 463 F.3d 1299, 1311–1312 (Fed. Cir. 2006). Once a court makes these
12 four underlying factual determinations, “the obviousness or nonobviousness of the subject
13 matter is determined.” *Graham*, 318 U.S. at 18.

14 1. *Scope and Content of the Prior Art*

15 The relevant prior art for an obviousness inquiry is analogous prior art. *In re Clay*,
16 966 F.2d 656, 659 (Fed. Cir. 1992). A prior art reference is analogous if it is: (1) in the
17 same field of endeavor, regardless of the problem addressed; or (2) reasonably pertinent to
18 the particular problem addressed by the claimed invention. *Innovention Toys, LLC v. MGA*
19 *Entm’t, Inc.*, 637 F.3d 1314, 1321 (Fed. Cir. 2011). “A reference is reasonably pertinent
20 if . . . it is one which, because of the matter with which it deals, logically would have
21 commended itself to an inventor’s attention in considering his [or her] problem.” *Id.*
22 (alteration in original) (quoting *Clay*, 966 F.2d at 659). Whether a prior art reference is
23 “analogous” is a question of fact. *Id.* (citing *Clay*, 966 F.2d at 658).

24 Plaintiff argues that the Arpaio and Georgantas Patents are prior art because the
25 PTO, as well as the Board of Patent Appeals and Interferences, relied on these patents when
26 they rejected the previous and related patent applications submitted by Defendant. *See* Pl.
27 MSJ 22–24. Additionally, in its invalidity contentions, Plaintiff asserts that several prior
28 art references that the PTO did not cite in its review are relevant prior art. *See id.* at

1 24–25. These include: *How to Tumble Polish Gemstones and Make Tumbled Gem Jewelry*
2 by Jarome Wexler (“Wexler”), Pl. Ex. 3, ECF No. 83-4; a patent issued by the World
3 Intellectual Property Organization to Garry McBride (WO0222519A1) (the “McBride
4 Patent”), Pl. Ex. 8, ECF No. 83-9; Glass Association of North America Glazing Manual,
5 Glass Association of North America published 1997 (the “GANA Glazing Manual”) Pl.
6 Ex. 6, ECF No. 83-7; and *Standard Specification for Heat-Treated Flat Glass—Kind HS,*
7 *Kind FT Coated and Uncoated Glass*, ASTM International, published February 1998 (the
8 “ASTM Standard”) Pl. Ex. 7, ECF No. 83-8.

9 Plaintiff also argues that a reference not included in its invalidity contentions is
10 analogous prior art that supports the ’505 Patent being invalid as obvious. This prior art is
11 a newsletter issued by the Clean Washington Center in November 1996 (the “Clean
12 Washington Newsletter”). Pl. Ex. 5, ECF No. 83-6.

13 The Court finds that the relevant prior art includes the Georgantas and Arpaio
14 Patents. The Georgantas Patent “disclos[es] a process for producing an attractive fire from
15 a gas line embedded in a bed of broken, tempered glass pieces, which may be ‘abraded or
16 polished so as to smooth over any sharp or pointed edges.’” Pl. MSJ at 8 (citing ECF No.
17 98-2, at 7); *see also* Pl. Ex. 9. The Arpaio Patent relates to “a vibratory tumbling machine
18 vessel for burnishing or cleansing metal, plastic or ceramic elements.” *Id.* at 9 (citing Pl.
19 Ex. 4). These patents are pertinent to the problem addressed, Defendant cited them as
20 references while prosecuting the ’505 Patent before the PTO, and Defendant does not
21 dispute they are relevant prior art references.

22 Similarly, the Court finds that the ASTM Standard and the GANA Glazing Manual
23 are relevant prior art. Both prior art references describe processes for heating and cooling
24 glass and the relevant specifications for such glass. These are both within the field of
25 endeavor and reasonably pertinent to the problem addressed by the ’505 Patent. Moreover,
26 Defendant does not dispute they are relevant prior art. *See generally* Def. Opp’n.

27 Defendant does, however, dispute the remaining prior art references. Beginning
28 with Wexler, Defendant argues that “obviousness cannot be established by combining the

1 teachings of the prior art to produce the claimed invention, absent some teaching,
2 suggestion or incentive supporting the *combination*.” *Id.* at 31 (quoting *In re Geiger*, 815
3 F.2d 686, 688 (Fed. Cir. 1987)) (emphasis in original). This argument misses the mark.
4 Determining whether there is a suggestion to modify and combine the prior art is not
5 pertinent to whether the art is analogous.

6 Wexler describes in detail the tumbling of gemstones and further describes glass as
7 one of the products capable of being tumbled and polished. Pl. Ex. 3 at 4. Defendant
8 concedes that Wexler shows that the practice of tumbling has occurred for many years to
9 smooth the edges of glass fragments. Def. Opp’n at 30. Because Wexler teaches
10 smoothing the edges of glass fragments, it would have “commended itself to an inventor’s
11 attention in considering” how to create safe-to-handle tempered glass fragments. *See*
12 *Innovation Toys*, 637 F.3d at 1321. The Court therefore finds Wexler to be relevant prior
13 art.

14 Next, Defendant argues that the McBride Patent is not relevant prior art because it
15 is not in the field of the inventor’s endeavor and not reasonably pertinent to the problem
16 the inventor solved. *Id.* at 31 (citing *Union Carbide Corp. v. Am. Can Co.*, 724 F.2d 1567
17 (Fed. Cir. 1984)). The ’505 Patent describes its field of invention as “recycling broken,
18 normal tempered glass waste into smooth glass pieces useful in, for example, lapidary
19 construction, art, and functional interior and exterior decorating.” Pl. Ex. 20 at 1:64–67,
20 ECF No. 83-21. The McBride Patent’s field of endeavor is the manufacture of decorative
21 concrete products using a process whereby an “exposed aggregate” is embedded in the
22 concrete. Pl. Ex. 8 at 1. The aggregate is decorative in nature and “consisting at least in
23 part of fragmented glass.” *Id.* at 3. The McBride Patent also discloses that it may be
24 desirable to remove sharp edges by tumbling the glass in a rotating drum. *Id.* at 3–4.
25 Although both the ’505 and McBride Patents pertain, in part, to decorative materials, the
26 Court concludes that the McBride Patent is not in same field of endeavor. Whereas the
27 ’505 Patent solely pertains to tempered glass, the McBride Patent primarily concerns
28 decorative concrete fabrication.

1 The McBride Patent, however, does relate to a similar problem addressed by the
2 '505 Patent. The McBride Patent specifically contemplates tumbling recycled glass to
3 remove sharp edges before use as a decorative aggregate in a concrete molding. *Id.* This
4 addresses an issue similar to that the '505 Patent addresses and logically relates to the
5 inventor's concern, namely, removing sharp edges from decorative glass pieces. This is in
6 accord with the January 16, 2014 PTO re-examination of the '505 patent claims where the
7 PTO considered the Arpaio and Georgantas Patents and found them to be reasonably
8 pertinent to the problem addressed. *See* Ex. 23 at 4, ECF No. 83-24 ("Arpaio teaches a
9 process for smoothing glass."); *see also* Ex. 9 at 1, ECF No. 83-10; Ex. 23 at 11
10 (Georgantas Patent reasonably pertinent to making smooth tempered glass). The Court
11 therefore finds that the McBride Patent is relevant prior art.

12 Finally, Defendant argues that the Court should not consider the Clean Washington
13 Newsletter as prior art. Def. Opp'n at 31. Plaintiff does not address the Clean Washington
14 Newsletter in its Reply brief. *See generally* Pl. Reply. The newsletter describes in relevant
15 part a process for "produc[ing] a more aesthetically appealing crushed glass" by using
16 "[g]lass processors that have either multiple rows of hammers that beat the glass into
17 cubical shapes or a centrifugal action that tumbles the broken glass on itself to produce an
18 autogenous shape." Ex. 5 at 1, ECF No. 83-6. A problem the '505 Patent addresses is
19 making the recycled glass more aesthetically pleasing and, thus, the Court finds the Clean
20 Washington Newsletter is reasonably pertinent to the problem addressed.

21 Defendant argues that the Clean Washington Newsletter lacks credibility, lacks
22 foundation, is hearsay, and would likely not be admissible at trial and, thus, is not
23 appropriate for the Court to consider. Def. Opp'n at 31. Defendant fails to support these
24 contentions with any authority or record evidence. *See id.* The Court, therefore, is not
25 persuaded by any of Defendant's conclusory legal assertions and finds that these do not
26 create a material factual dispute regarding whether the Clean Washington Newsletter is
27 prior art.

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1 Defendant also argues that, because Plaintiff did not disclose the Clean Washington
2 Newsletter in its invalidity contentions, the Court should exclude it. *Id.* at 32. Failure to
3 include an obviousness combination in the invalidity contentions, as required by patent
4 local rules, is reason to exclude a reference from consideration as prior art. *Volterra*
5 *Semiconductor Corp. v. Primarion, Inc.*, 796 F. Supp. 2d 1025, 1099 (N.D. Cal. 2011).
6 Plaintiff did not reference the Clean Washington Newsletter in any of its obviousness
7 combinations in its invalidity contentions. *See generally* Pl.’s Claim Chart, ECF No. 83-1
8 at 31–38. “Given that [Plaintiff] w[as] aware of the prior art in the file history from the
9 outset of this case, [its] failure to include this theory in [its] invalidity contentions precludes
10 [it] from proceeding on [any] obviousness combination[s]” that include the Clean
11 Washington Newsletter. *See id.*

12 A “citation to previously undisclosed references may be permissible,” however,
13 “where these references are used to *support* a theory of invalidity that has been disclosed
14 in a party’s invalidity contentions.” *Id.* (emphasis in original). To the extent that Plaintiff
15 uses the Clean Washington Newsletter to support only a theory of invalidity previously
16 disclosed, the Court finds that the Clean Washington Newsletter is relevant prior art
17 because it is reasonably pertinent to the problem addressed by the inventor.

18 2. *Differences Between the Prior Art and Claims at Issue*

19 Having determined the scope and content of the prior art, the Court must next
20 compare the prior art against the claimed invention to determine the specific differences,
21 if any, that exist. *See Graham*, 383 U.S. at 17–18.

22 Plaintiff posits that every asserted claim in the ’505 patent is found in the prior art.
23 Pl. MSJ 23–25. In its invalidity chart, Plaintiff identifies where each limitation is disclosed
24 in the prior art. Pl.’s Claim Chart at 31–38. Defendant argues the prior art does not disclose
25 all, or portions of, claims 1, 2, 3, 7, 8, and 9. Def.’s Claim Chart, Def. Ex. B, ECF No.
26 128-3. Defendant concedes that claims 4, 5, 6, 10, 11, 12, 13, and 14 are disclosed in the
27 prior art and that no differences exists; therefore, the Court will not address those claims.
28 *See id.*

1 a. Claims 1 and 7

2 The first dispute is whether the following limitations in claims 1 and 7 differs from
3 what is disclosed in the prior art:

4 “wherein each heat-treated glass fragment is formed from
5 standard tempered glass fragments from standard fully tempered
6 glass that has a surface compression of at least 3,500
pounds-force per square inch (PSI).”

7 Pl. Ex. 20 at 9:63–10:2, 10:33–37.

8 Plaintiff argues that the Georgantas Patent teaches forming tempered glass fragments
9 from tempered glass. ECF No. 83-1 at 31 (citing Pl. Ex. 9 at 1:30–33, 2:38–41). Plaintiff
10 next argues that the ASTM Standard discloses heat-strengthened glass having a surface
11 compression between 3500 and 7500 PSI. *Id.* at 32 (citing Pl. Ex. 7 at 4). Finally, Plaintiff
12 points to the GANA Glazing Manual as disclosing that heat-strengthened glass with a
13 surface compression levels in the range of 3500 to 7500 PSI is most desirable for most
14 uses. *Id.* (citing Pl. Ex. 6 at 4). Defendant, on the other hand, argues that “absolutely no
15 reference discloses this element.” Def. Claim Chart at 1 (emphasis omitted).

16 The Court construed “heat-treated glass” to mean “any glass that is processed to
17 create a surface compression such that the fraction pattern of the glass results in many small
18 glass fragments.” Claim Construction Order at 8, ECF No. 111. “Heat-treated glass shall
19 refer to, for example, fully tempered glass, heat-strengthened glass (also known as
20 toughened glass), or any other glass heat processed to create a similar fracture pattern.” *Id.*
21 The Court also construed “standard fully tempered glass” to mean “(i) having a surface
22 compression of at least 3,500 PSI; (ii) being formed by cooling the heated glass so as to
23 leave a center area of the heated glass hotter than surfaces; (iii) being formed by heating
24 the glass only once to a temperature of at least 1000° Fahrenheit and rapidly cooling it to
25 a temperature below 700° Fahrenheit.” *Id.* at 21–22.

26 For the type of glass used, the Georgantas Patent teaches using tempered glass that
27 is baked three times in a controlled temperature and oxygen environment over a
28 predetermined period of time and then broken to form smooth-edged pieces. Pl. Ex. 9 at

1 2:35–38. The ’505 Patent, on the other hand, teaches using standard tempered glass which
2 is not baked three times. Pl. Ex. 20. The Court finds that the ’505 and Georgantas Patents
3 do differ in the type of glass used. The Georgantas Patent concerns specially formulated
4 tempered glass created by baking the glass three times, while the ’505 patent does not.
5 Defendant has not, however, shown that this difference is material. Nothing indicates that
6 this difference changes the process for creating the finished products in any way or would
7 cause a person of ordinary skill in the art to not consider these Patents to address the same
8 problem in the same field of endeavor.

9 Concerning the heating and cooling process, the Georgantas Patent teaches rapid
10 cooling of the outer surfaces, while the center is allowed to cool slowly. Pl. Ex. 9 at 3:63–
11 4:1. Specifically, it discloses that the heating process is “followed by rapid cooling of the
12 outer surfaces via controlled air blasts or an oil-water cooling process, while the center is
13 allowed to cool slowly.” *Id.* Plaintiff argues that this method is not actually different from
14 the one described in the ’505 Patent. Plaintiff states that “[t]he use of air to cool heated
15 glass has been known and previously described,” ECF No. 83-1 at 35, and that “[i]t is
16 inherent that the center of the glass would be hotter than the surfaces that are cooled.” *Id.*
17 While Plaintiff provides no citation for this statement, the Court agrees. The Georgantas
18 Patent references U.S Patent No. 5,656,558 (the “’558 Patent”), which discloses a method
19 for creating fire retardant safety glass. The ’558 Patent states:

20 The high coefficient of thermal expansion of these glasses means
21 that such glass panes possess, even at a high compressive stress
22 of 120 N/mm²—irrespective of pane thickness—a temperature
23 difference resistance (TUF), between the *cold edge of the pane*
24 and the *hot center* of only about 200 to 220 K. The temperature
25 difference resistance characterizes the property of a pane to
26 withstand the difference in temperature between the *hot center of*
27 the pane and the *cold edge*.

26 ’558 Patent, at 1:59–67 (emphasis added). This is exemplary of a hotter center of glass
27 and cooler edge of glass.

28 ///

1 As for the temperature and PSI used, the Georgantas Patent teaches that “glass is
2 preferably from 2.5mm to 20mm in thickness, and is baked at least three times at
3 temperatures of about 1200° F for 30 minutes or more.” Pl. Ex. 9, at 2:35–38. The GANA
4 Glazing Manual teaches heat-treating glass by uniformly heating the glass to approximately
5 1150° Fahrenheit. Pl. Ex. 6 at 8. It also discloses an ideal surface-compression level of
6 3,500 to 7,500 PSI. *Id.* at 9. The ASTM Standard specification for heat-treated glass
7 reveals that heat-strengthened glass with a thickness of 1/4” (6mm) and less will have a
8 surface compression of 3,500 to 7,500 PSI. Pl. Ex. 6, at 4. Each reference discloses a
9 surface compression of at least 3,500 PSI and a temperature that is over 1000° Fahrenheit.
10 The Court therefore finds that there are no material differences between these
11 specifications and those found in the ’505 patent.

12 Next, Defendant argues that no prior art discloses the phrase “substantially rounded,
13 bead-like shape” in both claims 1 and 7. Def. Ex. B, at 1, 3, ECF No. 128-3. Plaintiff
14 contends that Wexler; the Arpaio, Georgantas, and McBride Patents; and the Clean
15 Washington Newsletter all disclose this term. Pl. MSJ at 33; Pl. Claim Chart at 18–19, 21–
16 22.

17 The Court construed the phrase “substantially rounded, bead-like shape” as two
18 separate terms. The Court defined “substantially rounded” as “smoothed in such a way
19 that the glass fragments are free of sharp burs and suitable for direct handling.” Claim
20 Construction Order at 22–25. The Court defined “bead-like shape” according to the
21 parties’ stipulated construction as “having varying shapes and sizes.” *Id.*

22 The Georgantas Patent teaches that “[t]he formed pieces of the broken, tempered
23 glass may be washed and sifted to remove any debris, and may be further abraded or
24 polished to form glass pieces without sharp edges, if needed.” Pl. Ex. 9 at 2:38–41. It goes
25 on to disclose that, “[t]o insure that no sharp edges or slivers remain, the broken pieces of
26 tempered glass may be washed and then sifted to remove debris.” *Id.* at 4:16–20. In this
27 manner, a bed of glass is formed from smooth pieces, which pieces are approximately the
28 same size.” *Id.* Finally, the Georgantas Patent specification provides that “[w]hen the

1 glass is properly and tightly packed around a gas pipe, for example, in a wedge, mounded
2 flat, or a beveled manner, the *rounded pieces* of the bed of glass will produce . . . myriad
3 . . . sparkles from the flames burning near and over the top of the bed.” *Id.* at 4:23–27
4 (emphasis added).

5 The Arpaio Patent teaches a solution for the “need for a unit and/or combination unit
6 for treatment(s) of diverse sizes and types of micro-sized lots of elements, in the burnishing
7 and/or polishing thereof—also including one or more of *deburring*, polishing and/or other
8 surface preparation of one or more of metal, plastic and/or ceramic (such as glass, etc.)
9 elements.” Pl. Ex. 4 at 7:33–38 (emphasis added); *see also id.* at 8:16–22.

10 Wexler teaches how to tumble various materials, including glass. Wexler at 4. It
11 teaches that, in the tumbling process, “[t]he purpose of the first grind is to remove all the
12 rough surfaces, crevices, blemishes, etc. When the grind is completed you should have
13 *rounded stones of about the desired size.*” *Id.* at 9 (emphasis added). Wexler also states
14 that a vibrating tumbler is acceptable for use in lieu of a rotating tumbler. *Id.* at 12.

15 Finally, the McBride Patent discloses tumbling glass for use in concrete molding.
16 Specifically, it teaches that, “[b]ecause the glass fragments are exposed at the surface of
17 the finished cast concrete product, . . . it may be desirable or necessary for safety reasons
18 for sharp edges of the glass fragments to be removed prior to use.” Pl. Ex. 8 at 2:27–30.
19 The McBride Patent teaches that the sharp edges “may be achieved by tumbling of the
20 glass, [e.g.] in a rotating drum, to give the fragments a *rounder form* with fewer or no sharp
21 edges or points.” *Id.* at 2:30–3:2 (emphasis added).

22 As noted, the Court defined “substantially rounded” to mean “smoothed in such a
23 way that the glass fragments are free of sharp burs and suitable for direct handling” and
24 “bead-like shape” to mean “having varying shapes and sizes.” *See Claim Construction*
25 *Order* at 22. The Court finds that the Georgantas Patent teaches removing sharp edges; the
26 Arpaio Patent specifies that its tumbling process removes burrs from glass; Wexler teaches
27 removing sharp edges, crevices, and blemishes, and the McBride Patent discloses tumbling
28 glass for safety reasons to remove sharp edges. Further Wexler and the Georgantas and

1 McBride Patents all discuss rounded elements. In sum, the prior art teaches smoothing
2 glass to remove burs and create a rounded shape, leaving the glass suitable for direct
3 handling. Therefore, the Court finds no material differences exist between the '505 Patent
4 and the prior art regarding this limitation.

5 Based on these findings, the Court determines that there are no material differences
6 between the prior art and claims 1 and 7.

7 b. Claims 2 and 8

8 Next, Defendant argues that absolutely no reference discloses the elements in claims
9 2 and 8. Ex. B, at 1, 3. Claim 2 discloses “[a] method as recited in claim 1, wherein the
10 plurality of heat-treated glass pieces [are] formed from tempered glass that has been heated
11 to a temperature in the range of about 1,200° to 1,600° Fahrenheit and rapidly cooled to a
12 temperature below 600° Fahrenheit.” ’505 Patent, at 10. Claim 8 discloses the same
13 limitation but derives from independent claim 7. *Id.* Plaintiff does not address claims 2 or
14 8 in its chart.

15 As noted above, several prior art references, including the GANA Glazing Manual
16 and the Georgantas Patent, disclose a process for heating and rapidly cooling the glass. Pl.
17 Ex. 9, at 2:35–38; Pl. Ex. 6 at 8–9. The references do differ from the claims in that the
18 references do not contain the exact temperatures and process for cooling that the ’505
19 Patent claims contain. The Court finds these differences, however, are not material. This
20 difference does not change the process in a meaningful way.

21 c. Claims 3 and 9

22 Defendant contends that no reference discloses claims 3 and 9. Def. Ex. B, at
23 2–3. Claim 3 states “[a] method as recited in claim 1, wherein each glass fragment is
24 formed from toughened glass that has a surface compression of at least 4,500 pounds-force
25 per square inch (PSI).” Pl. Ex. 20 at 10. Claim 9 discloses the same limitation but derives
26 from independent claim 7. *Id.* As discussed above, both the GANA Glazing Manual and
27 the ASTM Standards disclose heat-treated glass with surface compression between 3,500
28 and 7,500 PSI. The 4,500 PSI found in claims 3 and 9 clearly falls within the range

1 disclosed by the prior art references. Thus, the Court finds no differences between claims
2 3 and 9 and the prior art.

3 3. *Level of Ordinary Skill in the Art*

4 In its Motion for Summary Judgment, Plaintiff does not take any position as to the
5 relevant skill in the art or submit any evidence pertaining to the level of ordinary skill in
6 the art. *See generally* Pl. MSJ. Defendant argues that Plaintiff's failure to produce
7 evidence regarding the ordinary skill in the art creates a genuine issue of material fact. Def.
8 Opp'n at 16 (citing *Robotic Visions Sys., Inc. v. View Eng'g, Inc.*, 999 F. Supp. 1325, 1336
9 (C.D. Cal. 1997)). Defendant seems to suggest that the appropriate level of skill in the art
10 is that of a glazier. *See id.* at 19.

11 Plaintiff responds by arguing that the subject matter of Defendant's patent is easily
12 understandable by the average person and, therefore, Plaintiff need not define the level of
13 ordinary skill in the art. Reply at 10. In the alternative, Plaintiff points to the PTO's finding
14 that a person of ordinary skill in the art is not sophisticated. *Id.* (citing Pl. Ex. 23 at 4, ECF
15 No. 83-24; Pl. Ex. 29 at 10, ECF No. 83-30).

16 In select circumstances, it is not required for a court to make a specific finding of a
17 particular level of skill in the prior art, though this is usually the case when the prior art
18 itself reflects the appropriate level. *See Chore-Time Equip., Inc. v. Cumberland Corp.*, 713
19 F.2d 774, 779 n.2 (Fed. Cir. 1983). "[I]f the differences between the patent in suit and the
20 prior art are such that the subject matter as a whole is obvious to a lay(person), a
21 determination of the level of skill on the basis of expert testimony in the pertinent art would
22 be useless." *Schutt Mfg. Co. v. Riddell, Inc.*, 673 F.2d 202, 205 (7th Cir. 1982) (quoting
23 *Med. Lab. Automation, Inc. v. Labcon, Inc.*, 670 F.2d 671 (7th Cir. 1981)).

24 Although the PTO was able to make findings of obviousness regarding
25 Mr. Jaunzemis' prior patent applications without making an explicit determination of the
26 level of ordinary skill in the art, "it is always preferable for the factfinder below to specify
27 the level of skill it has found to apply to the invention at issue." *Okajima v. Bourdeau*, 261
28 F.3d 1350, 1355 (Fed. Cir. 2001). For this reason, the Court will make a determination of

1 the level of ordinary skill in the art of fireglass. *See Link Treasure Ltd. v. Baby Trend, Inc.*,
2 809 F. Supp. 2d 1191, 1214–15 (C.D. Cal. 2011).

3 In making this determination, factors that the Court may consider include the type
4 of problems encountered in art, the prior art solutions to those problems, the rapidity with
5 which innovations are made, sophistication of the technology, and the educational level of
6 active workers in the field. *Id.* (quoting *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 663 (Fed.
7 Cir. 2000)). Not all such factors may be present in every case, and one or more of them
8 may predominate. *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955,
9 963 (Fed. Cir. 1986).

10 Upon review of the factors, the Court finds that the Patent at issue and prior art
11 include no advanced technology that require more than a basic knowledge of glass and
12 tumbling. All of the prior art is easily understandable to an ordinary lay person of average
13 intelligence and, thus, no advanced degree is necessary. And the technology and the
14 process described in the '505 Patent for transforming recycled tempered glass into the
15 finished fireglass that is safe to handle is easily understandable as well.

16 Based on these findings, “the Court assumes without deciding that the level of
17 ordinary skill in the art of [fireglass] is that of an ordinary layman of average intelligence
18 who is aware of the prior art.” *See Link Treasure Ltd.*, 809 F. Supp. 2d at 1215. Although
19 Defendant seems to indicate that the ordinary skill is that of a glazier, the Court notes that
20 its more general “finding of skill is the most favorable for [Defendant], as a less
21 sophisticated person of ordinary skill is generally more favorable to a patent owner.” *Id.*
22 (citing *Union Carbide Corp.*, 724 F.2d at 1573).

23 4. *Secondary Considerations*

24 Objective evidence of nonobviousness, often referred to as “secondary
25 considerations” or the “objective indicia of nonobviousness,” may rebut a prima facie
26 showing of obviousness. *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311 (Fed. Cir.
27 2006) (citing *Graham*, 383 U.S. at 17–18). These considerations include commercial
28 success, long-felt but unsolved needs, failure of others to achieve the invention, and

1 copying by others. *Id.* To rebut a showing of obviousness, there must be a “nexus”
2 between the invention claimed in the patent and the commercial success or other secondary
3 consideration. *Id.* at 1311–12.

4 Defendant argues that two secondary considerations are relevant here and rebut any
5 showing that the ’505 Patent is obvious. Def. Opp’n at 13. First, Defendant argues that
6 commercial success is indicative of nonobviousness. *Id.* According to Defendant, “[p]rior
7 to [] Jaunzemis’ invention, originally applied for in 2003, there was no fireglass market.”
8 *Id.* Since then, the market for fireglass has increased exponentially. *Id.* As evidence of
9 commercial success, Defendants point to public import data that purportedly shows a surge
10 in sales following its Patent application. *Id.* at 13–14 (citing Declaration of Nickie
11 Bonenfant (Import Genius), ECF No. 128-8).

12 The Court has serious misgivings about whether this information actually shows
13 commercial success.² But even if it did, what is not clear from this data is whether “there
14 is a nexus between the claimed invention and the commercial success.” *See Ormco Corp.*,
15 463 F.3d at 1311–1312. “[If] the commercial success is due to an unclaimed feature of the
16 device” or if “the feature that creates the commercial success was known in the prior art,
17 the [commercial] success is not pertinent.” *Id.* at 1312. Here, Defendant fails to show that
18 the proffered data proves commercial success for products that “embod[y] the claimed
19 features” of the ’505 Patent. *See Brown & Williamson Tobacco Corp. v. Phillip Morris*
20 *Inc.*, 229 F.3d 1120, 1130 (Fed. Cir. 2000). More importantly, based on the Court’s
21 previous finding that there are no material differences between the ’505 patent and the prior
22 art, *see supra* Section I.A.2, Defendant cannot show that its claimed commercial success
23

24 ² Although the Court makes its determination without using this data, the Court notes its reservations about
25 the appropriate weight to give the Import Genius data. The first pages of data clearly show imports from
26 Plaintiff in particular beginning in 2017, but do not include total figures for each year or specific data that
27 show the products in question actually incorporate the Patent claims at issue. Moreover, Plaintiff has
28 expressly claimed that it discontinued tumbling its products by November 2014, making this data
irrelevant to the question at hand. The remaining data purportedly show the overall market, but fail to
include the weight of the product, what the product actually is, to whom the product was sold, and—most
importantly—on which dates the products were shipped.

1 occurred for reasons not known in the prior art. Thus, Defendant’s argument of “the
2 commercial success is irrelevant.” *Ormco Corp.*, 463 F.3d at 1311–1312 (citing *Brown &*
3 *Williamson*, 229 F.3d at 1130 (finding commercial success attributed to feature not present
4 in the invention); *Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1580 (Fed.Cir.1983)
5 (finding commercial success not pertinent when patentee failed to show that “such
6 commercial success as its marketed system enjoyed was due to anything disclosed in the
7 patent in suit which was not readily available in the prior art”)).

8 Next, Defendant argues that Plaintiff copied the claimed invention which is
9 indicative that the ’505 Patent is nonobvious. The Court is not convinced, however, that
10 the record supports Defendant’s assertions that Plaintiff copied Defendant’s products. And
11 even if Plaintiff did copy Defendant’s invention, “more than the mere fact of copying by
12 an accused infringer is needed to make that action significant to a determination of the
13 obviousness issue.” *In re GPAC*, 57 F.3d 1573, 1580 (Fed. Cir. 1995) (quoting *Cable Elec.*
14 *Prods. v. Genmark, Inc.*, 770 F.2d 1015, 1028 (Fed Cir. 1985)). Defendant failed to show
15 any facts—such as failed attempts to create the invention prior to the copying—to indicate
16 that the alleged copying was because the invention was not obvious, rather than, for
17 example, “a general lack of concern for the patent property.” *Ecolochem, Inc. v. S. Cal.*
18 *Edison Co.*, 227 F.3d 1361, 1380 (Fed. Cir. 2000) (quoting *Cable Elec. Prods.*, 770 F.2d
19 at 1028). This secondary consideration, therefore, does not support Defendant’s contention
20 that the ’505 Patent is nonobvious.

21 5. *Obviousness Determination*

22 After considering the *Graham* factors and making the requisite factual
23 determinations, the Court concludes that it would have been obvious to a person of ordinary
24 skill in the art to combine the relevant prior art, including Wexler, and the Arpaio,
25 Georgantas, and McBride Patents, to create the claimed invention.

26 To begin, the Court first notes that “[c]laims as allowed must be read and interpreted
27 with reference to rejected ones and to the state of the prior art; and claims that have been
28 narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot

1 be sustained to cover that which was previously by limitation eliminated from the patent.”
2 *Graham*, 383 U.S. at 33 (citing *Powers-Kennedy Contracting Corp.*, 282 U.S. at 185–86;
3 *Schriber-Schroth Co.*, 311 U.S. at 220–21). Plaintiff argues that “[i]ssues raised and
4 previously decided in the [’360 Patent] are binding on the scope and interpretation of the
5 ’505 [P]atent.” Pl. Reply at 11 (citing *Jonsson v. Stanley Works*, 903 F.2d 812, 817 (Fed.
6 Cir. 1990); and *Microsoft Corp. v. Multi-Tech Sys.*, 357 F.3d 1340, 1349 (Fed. Cir. 2004)).
7 The Board of Patent Appeal and Interferences, the Patent Trial and Appeal Board, and the
8 Federal Circuit all held that the ’360 Patent was obvious over the prior art. Pl. MSJ 22–
9 24. The ’505 Patent issued only by proposing a limitation as to the shape of the glass
10 (“substantially rounded, bead-like shape”). *Id.*; *see also* Def. Opp’n at 26–28 (“[T]he
11 amendment to add the limitation of the glass fragment having ‘a substantially rounded,
12 bead-like shape’ overc[a]me[] the rejections on the record.”). Based on this history of the
13 ’505 Patent and other related patents, the Court agrees with Plaintiff that the ’360 Patent
14 and the ’505 Patent are virtually identical—save the term “substantially rounded, bead-like
15 shape.” *See id.* at 24. Indeed, even the inventor Jaunzemis acknowledges that the only
16 difference between the ’360 and the ’505 Patent is the shape of the glass. Pl. Ex. 32, at 20,
17 ECF No. 83-33.

18 Despite this history, Plaintiff’s burden is more than just proving that a “substantially
19 rounded, bead-like shape” is obvious over the prior art because all other elements were
20 obvious in the ’360 Patent. Put differently, even if A + B is obvious and C is obvious, it
21 does not automatically follow, at least as a matter of law, that A + B + C is also obvious.
22 *See Sabasta v. Buckaroos, Inc.*, 683 F. Supp. 2d 937, 954 (S.D. Iowa 2010) (citing
23 *TorPharm, Inc. v. Ranbaxy Pharmaceuticals, Inc.*, 336 F.3d 1322 (Fed. Cir. 2003)).
24 Instead, “[i]n evaluating a claim’s validity, the ‘determination of obviousness is made with
25 respect to the subject matter as a whole, not separate pieces of the claim.’” *Id.* at 954–55
26 (emphasis omitted) (quoting *Sanofi–Synthelabo v. Apotex, Inc.*, 550 F.3d 1075, 1086 (Fed.
27 Cir. 2008) (citing 35 U.S.C. § 103).

28 ///

1 Defendant argues that, despite aspects being found in the prior art, the '505 Patent
2 is not obvious when—as it must—it is considered as a whole. Def. Opp'n at 11 (citing 35
3 U.S.C. § 103). According to Defendant, nothing in the prior art suggests a person of
4 ordinary skill in the art at the time the Patent issued would have combined the elements.
5 Def. Opp'n at 19–20. Specifically, it would not have been obvious to take the process for
6 using standard tempered glass; tumble those glass fragments into a safe-to-handle, bead-
7 like shape; and use them in a decorative fashion. *Id.*

8 The Court agrees that “the critical question is whether the invention as a whole was
9 taught or suggested by the prior art, not merely whether individual elements or features of
10 the invention are found somewhere in the prior art.” *Id.* But viewing the Patent in this
11 light does not change the Court’s determination that the '505 Patent as a whole is obvious.

12 The Court concludes that, at the time the '505 Patent issued, it would have been
13 obvious to a person of ordinary skill in the art to combine the teachings of the prior art into
14 the process described in the '505 Patent. The Court finds that the process for creating the
15 standard tempered glass, breaking that glass, and using it in a decorative fashion described
16 in the '505 Patent is virtually identical to that found in the '360 Patent. The Court agrees
17 with the PTO’s numerous findings that this process is obvious to a person of ordinary skill
18 in the art. The Georgantas Patent teaches a very similar process for using heat-treated
19 glass, breaking that glass, and using it for decorative purposes—including for use in fire
20 pits. Although the Georgantas Patent teaches using specially formulated tempered glass
21 (created by baking it three times), the Court finds that it would be obvious to a person of
22 ordinary skill to take the teachings as they pertain to this specially formulated glass and to
23 apply them to standard tempered glass.

24 With this process as a baseline, the Court concludes that it would have been obvious
25 to a person of ordinary skill in the art to tumble the glass pieces to form a substantially
26 rounded, bead-like shape that is safe to handle. The prior art, including the Arpaio Patent
27 and Wexler, clearly teaches the process of tumbling various materials—including glass—
28 to remove sharp edges. Faced with the problem of how to remove sharp edges on the

1 broken tempered glass pieces, an obvious solution for a person of ordinary skill in the art
2 would be to tumble or vibrate those pieces using the processes described in the prior art.
3 Moreover, the obvious shape of those pieces would be rounded pieces of various shapes
4 and sizes. While Defendant vehemently denies this would be obvious, Defendant’s only
5 evidence in support of the nonobviousness of the ’505 Patent is Mr. Jaunzemis’ declaration.
6 *See generally* Jaunzemis Decl. But subjective evidence of obviousness from the point of
7 view of the inventor is not evidence of nonobviousness sufficient to create a genuine
8 dispute of material fact. *See, e.g., Ryko*, 950 F.2d at 718; *Celanese Corp. v. BP Chem. Ltd.*,
9 846 F.Supp. 542, 547 (S.D. Tex. 1994) (“[E]vidence of the patent’s ‘subjective
10 obviousness’ to the inventor . . . is direct evidence of nothing.”).

11 “Finally, the Court relies upon ‘[c]ommon sense [which] has long been recognized
12 to inform the analysis of obviousness if explained with sufficient reasoning.’” *Link*
13 *Treasure Ltd.*, 809 F. Supp. 2d at 1218 (quoting *Perfect Web Techs., Inc. v. InfoUSA, Inc.*,
14 587 F.3d 1324, 1328 (Fed. Cir. 2009)). The process for creating tempered glass, breaking
15 that glass, and using it for decorative purposes was a known invention at the time of the
16 ’505 Patent. The addition of the shape of the glass and making it safe to handle is a “single,
17 simple, element disclosed in prior patents.” *Id.* To an ordinary person in the art, familiar
18 with the prior art described here, tumbling or vibrating the glass to create a substantially
19 rounded, bead-like shape so the edges are smooth and safe to the touch would have been
20 obvious. *See id.* (citing *KSR Int’l*, 550 U.S. at 420 (“Common sense teaches . . . that
21 familiar items may have obvious uses beyond their primary purposes, and in many cases a
22 person of ordinary skill will be able to fit the teachings of multiple patents together like
23 pieces of a puzzle.”)).

24 After a review of the *Graham* factors, the Court finds that Plaintiff has shown, by
25 clear and convincing evidence in the form of prior art, that the ’505 Patent is obvious.
26 Combining the elements found in the prior art would have been obvious to a person of
27 ordinary skill in the art at the time the Patent issued. Accordingly, the ’505 Patent is invalid
28 as obvious under section 103(a).

1 ***B. Whether Plaintiff Infringes the '505 Patent***

2 Plaintiff also moves for summary judgment for non-infringement against
3 Defendant's '505 Patent. Pl. MSJ at 28. Because the Court finds the '505 Patent is invalid,
4 Plaintiff's motion for summary judgment of non-infringement of the '505 patent is
5 **DENIED AS MOOT.**

6 ***C. Defendant's Remaining Counter Claims***

7 Defendant's remaining counter claims are brought under the Lanham Act and
8 California Unfair Competition Law on the grounds that Plaintiff's statements on its website
9 that several products are tumbled are false and constitute false advertising. Ans. 22, ¶ 28.

10 ***1. Lanham Act***

11 In the Ninth Circuit, liability under section 43(a) of the Lanham Act is established
12 by proving:

- 13 (1) a false statement of fact by the defendant in a commercial
14 advertisement about its own or another's product; (2) the
15 statement actually deceived or has the tendency to deceive a
16 substantial segment of its audience; (3) the deception is material,
17 in that it is likely to influence the purchasing decision; (4) the
18 defendant caused its false statement to enter interstate commerce;
19 and (5) the plaintiff has been or is likely to be injured as a result
of the false statement, either by direct diversion of sales from
itself to defendant or by a lessening of the goodwill associated
with its products.

20 *Skydive Ariz., Inc. v. Quattrocchi*, 673 F.3d 1105, 1110 (9th Cir. 2012) (citing 15 U.S.C. §
21 1125(a)(1)(B)). "To demonstrate falsity within the meaning of the Lanham Act, a plaintiff
22 may show that the statement was literally false, either on its face or by necessary
23 implication, or that the statement was literally true but likely to mislead or confuse
24 consumers." *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1139 (9th Cir.
25 1997).

26 Plaintiff does dispute that the claims on its website were literally false. Plaintiff
27 contends that summary judgment is appropriate because the website references only
28 applied to two products out of many and, thus, Defendant's damages are "de minimus."

1 Pl. MSJ at 27. Moreover, according to Plaintiff, Defendant failed to show that this fact
2 would have impacted any consumer’s decision to purchase the product. *Id.* at 27–28.

3 ///

4 In searching the case law, the Court is unable to find any authority that absolves a
5 defendant for making literally false statements on the account that they cause only de
6 minimus harm. In addition to the lack of authority, this argument fails because “an inability
7 to show actual damages does not alone preclude [] recovery” under the Lanham Act. *Lindy*
8 *Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1411 (9th Cir. 1993), *abrogated on other grounds*
9 *by SunEarth, Inc. v. Sun Earth Solar Power Co.*, 839 F.3d 1179, 1181 (9th Cir. 2016).
10 Importantly, Plaintiff has failed to bring forth any evidence that supports its contention that
11 Defendant suffered no harm and, therefore, Plaintiff has failed to meet its burden to show
12 the absence of a genuine issue of material fact.

13 Accordingly, the Court **DENIES** summary judgment as to Defendant’s counter
14 claims under the Lanham Act.

15 2. *California Unfair Competition Law*

16 Defendant also brings claims under California Business and Professions Code
17 sections 17200, et seq., the California Unfair Competition Law (“UCL”). Liability under
18 this section and the Lanham Act are “substantially congruent.” *Appliance Recycling*
19 *Centers of Am., Inc. v. JACO Envtl., Inc.*, 378 F. App’x 652, 655 (9th Cir. 2010). Thus, a
20 finding that Defendant’s Lanham Act fails “on the merits” is conclusive that its state law
21 claims fail as well. *Id.* Because the Lanham Act and the UCL are substantially similar,
22 the Court finds that the same reasoning applies for those claims and therefore **DENIES**
23 summary judgment as to Defendant’s claims under the UCL.

24 **II. Defendant’s Motion for Summary Judgment**

25 Defendant seeks summary judgment as to all of Plaintiff’s claims under the Lanham
26 Act and the UCL on the grounds that Plaintiff fails to show that any statements made by
27 Defendant were false, there is no evidence of injury, and there is no evidence of bad faith.
28 Def. MSJ at 6–7.

1 A. *Lanham Act*

2 In cases involving alleged false assertions of patent rights, the law of the regional
3 circuit in which the district court sits governs claims of unfair competition. *See, e.g., Pro-*
4 *Mold & Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1574 (Fed. Cir. 1996). Thus,
5 the Ninth Circuit’s standard for proving Lanham Act claims applies here. In addition to
6 the five elements normally required to prove a Lanham Act violation, in the Ninth Circuit,
7 “where Lanham Act claims . . . are based on a defendant’s representation that someone
8 infringed his patent, plaintiff must show that defendant’s representation was made in bad
9 faith.” *Appliance Recycling Centers of Am.*, 378 F. App’x at 654 (quoting *Fisher Tool Co.*
10 *v. Gillet Outillage*, 530 F.3d 1063, 1068 (9th Cir. 2008)).

11 Plaintiff bases its false advertising claims on letters sent by Mr. Jaunzemis to it and
12 its dealers. The letters threaten to sue for infringement of the ’360 and ’505 Patents, stating
13 in relevant part that “Moderustic is proud to have been issued 2 U.S. Patent Numbers,
14 7,976,360 (in reconsideration) and 8,419,505 These patents and applications cover
15 our method of creating tumbled tempered glass for use in fireplaces and fire pits.” ECF
16 Nos. 12-2, 12-3. Plaintiff contends that these threats constitute false statements that caused
17 its distributors to no longer buy from it, causing Plaintiff harm.

18 The Court does not find that these statements were literally false. At the time
19 Defendant sent these letters in 2015, the PTO had issued the ’505 Patent to Defendant. *See*
20 *Pl. Opp’n* at 5–6. And although the PTO had rejected the ’360 Patent, it was technically
21 being reconsidered by the Federal Circuit at that time the letters were sent. *Id.* Thus, these
22 statements are not literally false.

23 “An advertisement that is not literally false may support a Lanham Act claim only if
24 it is shown ‘that the advertisement has misled, confused, or deceived the consuming
25 public.’” *Appliance Recycling Ctrs. of Am.*, 378 Fed. App’x at 655 (quoting *Southland*
26 *Sod*, 108 F.3d at 1140). The Court finds that no reasonable jury could find these statements
27 to mislead, confuse, or deceive the consuming public when considered in their overall
28 context. The letter clearly indicates that the ’360 Patent is in reconsideration. More

1 importantly, the '505 Patent had been issued at the time the letters were sent, giving
2 Defendant the right to enforce its legal rights as the Patent holder, regardless of the '360
3 Patent's status. Thus, even if the letter misled the recipient into believing that Defendant
4 had an enforceable right as to the '360 Patent, that right was duplicative of Defendant's
5 right to enforce the '505 Patent.

6 The Court also finds that "Plaintiff[has not] presented any evidence that defendant[
7 drafted or forwarded the letters in bad faith." *Fisher Tool Co.*, 530 F.3d at 1068. The
8 letters clearly indicate that the '360 Patent was "in reconsideration" and, although Plaintiff
9 vehemently disagrees with the PTO's issuance of the '505 Patent, Defendant did in fact
10 have the right to enforce its rights as the patentholder at that time. Without a showing that
11 Defendant had some malicious intent, rather than simply asserting its rights as the
12 patentholder, the Court cannot find bad faith present here. *See id.* at 1068–1069 (refusing
13 to infer bad faith where the plaintiffs failed to bring forth any evidence other than the
14 alleged misrepresentation).

15 Accordingly, the Court **GRANTS** summary judgment in favor of Defendant with
16 regard to Plaintiff's Lanham Act claims.

17 ***B. California Unfair Competition Law***

18 In addition to the Lanham Act claims, Plaintiff also brings claims under the UCL.
19 Because the Court has found the letters insufficient to support Plaintiff's Lanham Act
20 claims, *see supra* Section II.A., those same letters cannot support Plaintiff's claims under
21 California law. *Cf. Appliance Recycling Ctrs. of Am.*, 378 Fed. App'x at 655. Accordingly,
22 the Court **GRANTS** summary judgment in favor of Defendant with regard to Plaintiff's
23 claims under the UCL.

24 **CONCLUSION**

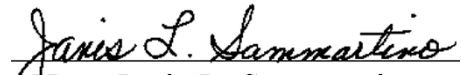
25 Based on the foregoing, the Court **GRANTS IN PART AND DENIES IN PART**
26 Plaintiff's Motion for Summary Judgment. Specifically, the Court **GRANTS** Plaintiff's
27 Motion as it relates to Defendant's infringement claims and **DENIES** Plaintiff's Motion as

28 ///

1 it relates to Defendant's claims under the Lanham Act and the UCL. The Court **GRANTS**
2 Defendant's Motion for Summary Judgment in its entirety.

3 **IT IS SO ORDERED.**

4 Dated: March 15, 2019


5 Hon. Janis L. Sammartino
6 United States District Judge

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