

IN THE COURT OF APPEALS OF OHIO
TENTH APPELLATE DISTRICT

Jack Lemkin,	:	
	:	
Plaintiff-Appellant,	:	
	:	
v.	:	No. 09AP-1051
	:	(C.P.C. No. 05CVC-02-2256)
Hahn, Loeser & Parks LLP et al.,	:	
	:	(REGULAR CALENDAR)
Defendants-Appellees.	:	

D E C I S I O N

Rendered on May 11, 2010

Jack Lemkin, pro se.

Brouse McDowell, Craig A. Marvinney and Kerri L. Keller, for appellees.

APPEAL from the Franklin County Court of Common Pleas

TYACK, P.J.

{¶1} In January 2005, Jack Lemkin ("appellant"), filed a lawsuit alleging fraud and negligent misrepresentation against attorneys Mark A. Watkins, Craig E. Miller, and their law firm, Oldham & Oldham Co., LPA¹ (collectively "appellees"), in the Franklin County Court of Common Pleas. The suit is premised upon appellant's allegation that appellees were negligent in prosecuting a patent, which caused appellant to lose patent rights for his claimed invention. The trial court ultimately dismissed the case, finding that

¹ An Akron-based intellectual property firm, which was acquired by Hahn, Loeser & Parks LLP in September 2001. See Hahn Loeser: History, at <http://www.hahnlaw.com/history.aspx> (last visited April 16, 2010).

the common pleas court lacked subject matter jurisdiction because the case involved substantial questions of federal patent law, which falls under the exclusive jurisdiction of the district court. We also find that the claims asserted here cannot be rightfully adjudicated without first deciding significant issues pertaining to appellant's patent application(s). We, therefore, affirm the decision of the trial court.

{¶2} Our resolution of the issue of subject matter jurisdiction requires us to provide a fairly complicated factual background of the involved parties (and non-parties) and circumstances in this case.

{¶3} Appellant styles himself as an inventor, having co-authored "over 100 patents." (Complaint, at ¶1.) Appellant operates a company, apparently out of his home, known as Sinitron, which purports to manufacture plastic molds and other widget-type components. See Sinitron Corporation: Better Products at Better Prices, at www.sinitronusa.com (last visited April 16, 2010).

{¶4} Appellant's suit against appellees arises out of a business relationship that Sinitron had with Dr. Steve Tsengas, who is the founder and CEO of OurPet's Co., Inc. ("OurPet's"), an Ohio corporation having its headquarters in Lake County. Dr. Tsengas is a former client of appellees. Neither Dr. Tsengas nor OurPet's is a party to this lawsuit.

{¶5} Dr. Tsengas retained appellees' services to prosecute a patent for his invention of an adjustable height pet feeder, which OurPet's now markets as the Store-N-Feed.² Appellee, Craig Miller, was the associate attorney who was directly involved with Dr. Tsengas' case. Appellee, Mark Watkins, was Miller's supervising attorney at appellee

² The product is pictured on OurPets' website, at http://www.ourpets.com/products_hfs.html (last visited April 16, 2010).

Oldham & Oldham. Watkins is now a partner with the law firm Hahn Loeser & Parks LLP. Although Hahn Loeser's name still appears in the caption of this case, the trial court granted summary judgment as to this defendant on October 12, 2005; thus, they are no longer a party.

{¶6} Appellant was never a client of Miller, Watkins, Oldham & Oldham, or Hahn Loeser. In fact, appellant had no relationship with any of the appellees except through Dr. Tsengas, who engaged Sinitron's services in connection with manufacturing components for OurPet's products. Appellant also claims that Dr. Tsengas hired him to draft "computer generated engineering drawings" of the Store-N-Feed, which Dr. Tsengas could submit to the United States Patent and Trademark Office ("USPTO") with the patent application(s).

{¶7} On April 8, 1999, Miller filed a provisional application for a patent³ for the Store-N-Feed on Dr. Tsengas' behalf. On May 21, 1999, Miller also filed for a design patent⁴. Later that same year, appellant began sending letters to Dr. Tsengas and his attorneys, claiming that he should have been named as an inventor on the patent application. Miller responded to appellant's letters, informing appellant that since he did not make any significant contributions to the Store-N-Feed's design, he was not entitled to

³ An optional, lower cost alternative to beginning the process of obtaining a patent. See 35 U.S.C.A. 111(b)(1) and (2). "Provisional application provides the means to establish an early effective filing date in a patent application and permits the term 'Patent Pending' to be applied in connection with the invention. Provisional applications may not be filed for design inventions. * * * Provisional applications are NOT examined on their merits. A provisional application will become abandoned by the operation of law 12 months from its filing date." USPTO: General Information Concerning Patents, at Provisional Application for Patent, www.uspto.gov/web/offices/pac/doc/general/index.html#provisional (last visited April 20, 2010).

⁴ A design patent protects only the non-functional aspects of an ornamental design. *KeyStone Retaining Wall Sys., Inc. v. Westrock, Inc.* (C.A.F.C. 1993), 997 F.2d 1444, 1450 (citing *Lee v. Dayton-Hudson Corp.* (C.A.F.C. 1988), 838 F.2d 1186, 1188–89).

be credited with inventorship or co-inventorship. For unrelated reasons, appellees failed to convert the provisional application for patent of the Store-N-Feed into a standard patent application. Having failed to secure his patent rights, Dr. Tsengas terminated his relationship with appellee Oldham & Oldham.⁵ The firm also terminated Miller's employment.

{¶8} Around the same time, appellant, who was dissatisfied with Dr. Tsengas' refusal to credit him as an inventor of the Store-N-Feed, retained the services of Martin Hoffman, a patent attorney with the firm Hoffman, Wasson & Gitler P.C., who filed a patent application on appellant's behalf on May 24, 2000. In the application, Hoffman failed to disclose to the USPTO that there was a dispute over inventorship of the Store-N-Feed. As a result, the USPTO issued a utility patent⁶ for the Store-N-Feed on November 14, 2000⁷ (hereafter the "474 Patent").

{¶9} Meanwhile, Dr. Tsengas, who had no idea that appellant had already obtained the 474 Patent, retained Akron attorney, John D. Gugliotta, to take over the prosecution of his patent for the Store-N-Feed. Gugliotta successfully obtained a design patent for the Store-N-Feed⁸ (hereafter the "045 Patent"). Gugliotta's name is the only one listed as counsel with regard to the 045 Patent application (i.e., none of appellee's names appear therein). After Dr. Tsengas learned about the 474 Patent, he filed a

⁵ *OurPet's* filed a malpractice suit against Oldham & Oldham, which is not the subject of nor directly related to the present action. *OurPet's Co., Inc. v. Oldham & Oldham Co., LPA* (Dec. 18, 2003), Cuyahoga C.P. No. CV-02-472413.

⁶ A utility patent is a general patent, which protects the "usefulness" of an invention; it is the default patent type, but it is also the most difficult type of patent to obtain. See generally *J.E.M. Ag. Supply, Inc. v. Pioneer Hi-Bred Internatl., Inc.* (2001), 534 U.S. 124, 131 (citing 35 U.S.C. 101-03).

⁷ US Patent No. 6,145,474.

⁸ US D467,045.

complaint, together with motions for temporary restraining order and preliminary injunction against appellant and Sinitron in U.S. District Court for the Northern District of Ohio. See *OurPet's Co. v. Lemkin* (June 6, 2002), No. 1:02CV-1066 (hereafter the "Federal Action"). The district court held a hearing on the preliminary injunction in June, July, and August 2002, and, on March 21, 2003, the court issued a 28-page decision granting Dr. Tsengas' motion and enjoining appellant and Sinitron from asserting any rights under the 474 Patent. (R. 145, exhibit Nos. D and E.)

{¶10} Later, in 2002, the district court held a settlement conference during which the parties (appellant and Dr. Tsengas) were able to reach an agreement in which all rights associated with the 474 Patent for the Store-N-Feed became the property of OurPet's. (Deposition of Jack Lemkin, April 3, 2008, at 102.)

{¶11} In December 2003, appellant filed a legal malpractice claim against appellees Miller, Watkins, and Oldham & Oldham in the Franklin County Court of Common Pleas. *Lemkin v. Oldham & Oldham Co., LPA* (Dec. 8, 2003), Franklin C.P. No. 03-CV-13434. Appellant voluntarily dismissed that case after the trial court granted appellees' motion for change of venue, based on the fact that all defendants were in Summit County. Appellant essentially re-filed the present action on February 28, 2005, changing his claims to fraud and negligent representation, and adding Hahn Loeser, which acquired Oldham & Oldham in 2001. By adding Hahn Loeser, a law firm with offices in Franklin County, as a defendant, the case would survive a subsequent motion to change venue despite the fact that Hahn Loeser was able to detach itself from this case via summary judgment.

{¶12} On September 8, 2008, Miller and Watkins (the remaining appellees) filed a motion to dismiss for lack of subject matter jurisdiction, based on their argument that Lemkin's claims of fraud and misrepresentation were based on substantial questions of federal patent law, which is under the exclusive jurisdiction of the federal court, pursuant to 28 U.S.C. 1338(a):

The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents * * * copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent * * *.

{¶13} The trial court agreed with appellees, that this "suit requires determination of substantial questions of federal patent law," and granted the motion to dismiss. (Decision & Entry Granting Defendant's Motion to Dismiss, Oct. 15, 2009, at 5.) Appellant filed a timely notice of appeal, and now assigns three errors for our consideration, which we have paraphrased below.

{¶14} The three assignments of error are not only interrelated, they are essentially the same—attacking the trial court's decision and ruling that the common pleas court lacked subject matter jurisdiction over appellant's claims. We will therefore address all of the assignments of error together, using a de novo standard. See *Crestmont Cleveland Partnership v. Ohio Dept. of Health* (2000), 139 Ohio App.3d 928, 936 (holding that appellate review of a trial court's decision to dismiss for lack of subject matter jurisdiction is de novo) (citing *Shockey v. Fouty* (1995), 106 Ohio App.3d 420, 424).

[I.] The Court's order has created a fiction by interjecting the issues of "patent rights", Patentability, federal patent law and patent validity, into a complaint that does not include any of these issues. None of these issues are contained in the complaint.

[II.] The Court is unable to show any case law to support their decision. Thus, the Defendants will be asking this Appellate Court to issue an unprecedented decision allowing the moving of a complaint of Negligent Misrepresentation to Federal Jurisdiction without a claim of patent infringement.

[III.] The Court's order violates the well-pleaded complaint rule. The presence or absence of federal jurisdiction is governed by the "well-pleaded complaint rule" which provides that "*federal jurisdiction exists only when a federal question is presented on the face [sic] on the face on the plaintiff's properly pleaded complaint*" (28 USC 1331) No issues of Patent Infringement or federal questions were raised in the plaintiff's complaint. The Court's order should be reversed and the case remanded.

{¶15} Appellant argues that the trial court's decision is erroneous because there are no "patent issues" in this case: "The court's apparent lack of familiarity with USPTO rules and procedures, such as not understanding the difference between a provisional patent application and a patent application," have led the court to see patent issues that do not exist. (Appellant's brief, at 12.) The irony (and flaw) in appellant's argument, however, is that, if no patent issues truly exist in this case, it would not be necessary that the trial court be familiar with USPTO rules and procedures, types of patents and applications, or terms of art, such as patent prosecution. In this court of appeals, we are familiar enough with intellectual property subject matter to know that when a plaintiff to a lawsuit alleges fraud and misrepresentation in connection with the prosecution of a patent, such allegations cannot be examined without also examining the patent application. For example, the basis for count two of appellant's complaint is that Miller committed a fraud on the USPTO by failing to cite prior art in his provisional application for patent in April 1999. (Complaint, at ¶18.)

{¶16} The elements of fraud are: (1) misrepresentation of, or failure to disclose a material fact; (2) knowledge that the representation was false (or with such utter disregard and recklessness as to whether it is true or false that knowledge may be inferred); (3) intent to induce reliance by the other party; (4) justifiable reliance thereon; and (5) damages proximately caused by reliance on the misrepresentation or concealment. See, e.g., *Burr v. Bd. of Cty. Commrs. of Stark Cty.* (1986), 23 Ohio St.3d 69, paragraph two of the syllabus.

{¶17} A court could not even determine whether count two of appellant's complaint satisfies the pleading requirements of Civ.R. 8 (and Civ.R. 9) without first knowing the procedure for filing a provisional application for patent with the USPTO, or knowing whether failing to cite prior art in a provisional application constitutes a material omission. Even though appellant's claims are clearly based in state law, they are not discernable without having a fair understanding of patent prosecution, which is why this case belongs in federal court. Our reasoning is supported by a recent decision by the U.S. Court of Appeals for the Federal Circuit, which is the federal court with exclusive jurisdiction over appeals of patent decisions. See *Air Measurement Technologies, Inc. v. Akin Gump Strauss Hauer & Feld, L.L.P.* (2007), 504 F.3d 1262, 1269–70 (holding that exclusive federal jurisdiction existed over legal malpractice claims where proof of malpractice would require underlying proof of patent infringement). This is also consistent with our prior decision in *TattleTale Portable Alarm Sys., Inc. v. Calfee, Halter & Griswold, LLP*, 10th Dist. No. 08AP-693, 2009-Ohio-1379, ¶22 (holding that allegations that a law firm committed malpractice by failing to pay the proper patent maintenance fees to the

USPTO depended on substantial questions of federal patent law, which do not belong in state court).

{¶18} The first assignment of error is overruled.

{¶19} To the extent that appellant assigns as error the trial court's failure to support its decision with applicable case law, he himself failed to cite any case law that imposes such a requirement on the court. Courts cite case law that is on point to support decisions as to contested legal questions or issues. The trial court indeed cited 28 U.S.C. 1338, which is the federal statute conferring exclusive jurisdiction over patent cases to the district courts. (See Decision & Entry, at 3.) This being a case that arises under or at least pertains to substantial questions of federal patent law, the trial court's citation to 28 U.S.C. 1338 was sufficient to support its decision to dismiss this case. The trial court also cited to *Air Measurement Technologies*. *Id.* Furthermore, we have just cited a recent decision of our own, which is directly on point, supports our reasoning, and supports the trial court's judgment.

{¶20} The second assignment of error is overruled.

{¶21} With regard to the third assigned error, appellant implies that because his complaint does not allege patent infringement, the face of the complaint does not contain a federal question. If Congress had intended for only patent infringement cases to be within the exclusive jurisdiction of the district courts, it would have said so, rather than use the broad language it chose to use in 28 U.S.C. 1338 ("any civil action arising under any Act of Congress relating to patents").

{¶22} We have already examined the complaint and demonstrated specifically how the state law claims depend on substantial questions of federal patent law. We therefore overrule the third assignment of error.

{¶23} Having overruled all assignments of error, we affirm the judgment of dismissal entered by the trial court. By our ruling, appellant is not prevented from re-filing this action in the district court of appropriate jurisdiction.

Judgment affirmed.

BROWN and McGRATH, JJ., concur.
