UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BOBCAR MEDIA, LLC, Plaintiff, -against- T-MOBILE, USA, INC., and SAMSUNG ELECTRONICS AMERICA, INC., Defendants.	21-CV-5685 (AKH) (OTW) **REPORT & RECOMMENDATION TO THE HONORABLE ALVIN K. HELLERSTEIN**

ONA T. WANG, **United States Magistrate Judge**:

Plaintiff Bobcar Media, LLC ("Plaintiff" or "Bobcar") commenced this action on June 30, 2021, against T-Mobile, USA ("T-Mobile") and Samsung Electronics America, Inc. ("Samsung") concerning Defendants' use in 2015 and 2016 of promotional vehicles (the "Aardy vehicles") supplied by Aardvark Event Logistics, Inc. ("Aardvark"). The First Amended Complaint (ECF 45, "FAC") against T-Mobile and Samsung alleges three counts: patent infringement of Bobcar's design and utility patents (Count I); trade dress infringement under the Lanham Act (Count II) and state law unfair competition (Count III). Defendants, who have used both Bobcar's vehicles and the allegedly infringing Aardy vehicles, have moved to dismiss the FAC. For the reasons below, I respectfully recommend that the motion be **GRANTED in part** and **DENIED in part**.

I. BACKGROUND

A. The 2016 case (Bobcar I)

In 2016, Bobcar filed an infringement suit ("*Bobcar I*") against Aardvark concerning the same vehicles. In that case, *Bobcar Media LLC v. Aardvark Event Logistics Inc.,* 16-CV-885 (JPO),

Judge Oetken dismissed the patent infringement claims for lack of standing on January 14, 2019. On April 6, 2020, Judge Oetken excluded Bobcar's expert report and granted summary judgment for Aardvark on Bobcar's trade dress and unfair competition claims. *Bobcar I*, 554 F. Supp.3d 606 (S.D.N.Y. 2020). Most relevant to this case, Judge Oetken found that Bobcar's trade dress is not protectable as a matter of law. *Id.* at 619-620. Bobcar appealed to the Federal Circuit, which summarily affirmed Judge Oetken's rulings on March 5, 2021. 839 Fed. Appx. 545 (Fed. Cir. 2021). The Supreme Court denied *certiorari* on October 4, 2021. 142 S. Ct. 235 (2021).

In the *Bobcar I* complaint, Bobcar attached photos of the Bobcar "mobile showroom" vehicles being used to promote T-Mobile and Samsung products, among others. *Bobcar I,* ECF 12-7 at 2, 3.[1] In Bobcar's brief to the Federal Circuit, Bobcar alleged that they learned of Aardvark's vehicles in 2015, when Aardvark "purloin[ed] Bobcar's top customers, including T-Mobile and Samsung." (ECF 54-3 at 13).

B. <u>The Instant Case</u>

Bobcar filed this case on June 30, 2021, while the petition for certiorari in *Bobcar I* was pending. Instead of suing Aardvark, Bobcar sued their former customers, T-Mobile and Samsung, for using the Aardy vehicles to advertise their goods and services in July 2015 and February 2016, respectively. (FAC ¶¶ 141, 143). After curing the standing issue, Bobcar asserted the same patent infringement claims – alleging that the same Aardy vehicles infringed the same design and utility patents -- as alleged in *Bobcar I*. (*See* FAC ¶¶ 44, 130-139, 141; 143); *Bobcar I,* ECF 12 ¶ 29. Bobcar also reasserted the same unfair competition and trade dress infringement

[1] Cites to exhibits filed in *Bobcar I* are identified by the electronic case filing numbers used in that case. Cites to exhibits filed in this case are bracketed by parentheses.

claims that they had previously asserted against Aardvark. (FAC ¶¶ 234-243; 244-260); *Bobcar I*, ECF 12 ¶¶ 106-114; 115-131.

II. DISCUSSION

A. Bobcar's Trade Dress and Unfair Competition Claims Are Precluded

Defendants seek dismissal of Counts II and III, arguing that the fully-litigated final judgment in *Bobcar I* precludes relitigation of the trade dress infringement claims here. Collateral estoppel, or issue preclusion, prevents parties "from relitigating in a subsequent action an issue of fact or law that was fully and fairly litigated in a prior proceeding." *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 288 (2d Cir. 2002). "Collateral estoppel applies when: (1) the identical issue was raised in a previous proceeding; (2) the issue was actually litigated and decided in the previous proceeding; (3) the party had a full and fair opportunity to litigate the issue; and (4) the resolution of the issue was necessary to support a valid and final judgment on the merits." *Id*. at 288-89 (internal quotations omitted).

The elements of a trade dress claim are: "(1) the claimed trade dress is non-functional; (2) the claimed trade dress has secondary meaning; and (3) there is a likelihood of confusion between plaintiff's good and the defendant's." *Bobcar I*, 554 F. Supp. 3d at 615. An unfair competition claim under New York law is "subject to the same analysis as a Lanham Act claim, except for the additional requirement of bad faith." *Id.* at 620. Thus, if Bobcar's trade dress claim is precluded, its unfair competition claim will be precluded as well.

Bobcar asserts that the identical issue was not raised, actually litigated, or fully and fairly litigated, because Judge Oetken only held that Bobcar had failed to show secondary meaning by 2008, the year that Aardvark allegedly began infringing on Bobcar's intellectual

property. Here, Bobcar argues, because Defendants' alleged infringement began in 2015 (T-Mobile) and 2016 (Samsung), Bobcar should be permitted to litigate whether its trade dress acquired secondary meaning at any time between 2008 and 2016. (ECF 58 at 14-15).[2]

Bobcar slices the issue far too finely. In *Bobcar I*, Bobcar claimed that the Aardy vehicles, in multiple iterations and at multiple times through at least 2016, infringed Bobcar's trade dress. **Judge Oetken found that they did not**. *Bobcar I*, 554 F. Supp. 3d at 619. On appeal to the Federal Circuit, Bobcar raised the same issue it raises now, arguing that "a jury could have found that secondary meaning had accrued by the time of Aardvark's subsequent infringements." (ECF 54-3 at 36). Notably, some of the "subsequent infringements" identified by Bobcar in its brief to the Federal Circuit include the same Aardy vehicles (Samsung and T-Mobile Aardy vehicles from 2015 and 2016) alleged in this case,[3] and Bobcar used the same language and same arguments in its opposition brief here (ECF 58 at 14-15) as it used in its brief to the Federal Circuit in *Bobcar I*. (ECF 54-3 at 34-35). *Bobcar I* was fully litigated through denial of *certiorari*. Every factor to consider when applying collateral estoppel weighs in favor of Defendants.

Bobcar's reliance on *Lucky Brand Dungarees, Inc. v. Marcel Fashions Group, Inc*., 140 S. Ct. 1589, 206 L. Ed. 2d 893 (2020), is unavailing, for at least two reasons. First, *Lucky Brand* is factually and legally distinguishable. It concerned a subsequent litigation "grounded on different conduct, different marks, occurring at different times," and thus the Supreme Court's

[2] Bobcar did not number the pages of its opposition brief, so the Court will use the ECF page numbering for all documents filed on ECF.

[3] Indeed, the allegedly infringing T-Mobile and Samsung vehicles were used in Bobcar's brief to the Federal Circuit to argue that each successive use of an Aardy vehicle by any of Aardvark's customers constituted a new infringement. (ECF 54-3 at 33-35).

analysis of "defense preclusion" was grounded in claim preclusion, not issue preclusion. *Id.* at 1595. There, the Supreme Court was considering the preclusive effect of failing to raise a defense grounded in a prior settlement agreement between the same parties over litigation concerning several different trademarks. Although the Supreme Court did acknowledge that enforceability and likelihood of confusion could turn on "extrinsic facts that change over time" and "marketplace realities that can change dramatically from year to year," the Supreme Court did not use that premise – contrary to Bobcar's assertion – to find no "defense preclusion" in *Lucky Brand*. *Id.* at 1596 ("At bottom, the 2011 Action involved different marks, different legal theories and different conduct – occurring at different times").

Second, although not necessary to this decision, this second litigation runs counter to the principles of preclusion outlined in *Lucky Brand* and other cases in this district. Justice Sotomayor discussed, at some length, how the decision in *Lucky Brand* was consistent with other cases and treatises applying "traditional claim or issue preclusion principles." *Id.* at 1596-98. Specifically, traditional claim or issue preclusion principles could (and should) be used to "prohibit a claim or defense that would attack a previously decided claim." *Id.* at 1597.

In *Bobcar I,* Bobcar argued that the use of allegedly infringing Aardy vehicles by different advertisers in the time period between 2009 and 2016 constituted "13 separate infringements" (ECF 54-3 at 37), and here, Bobcar brings claims against two advertisers identified in *Bobcar I* for two of those alleged infringements, directly attacking the previously-decided trade dress and unfair competition claims. Under Bobcar's arguments against preclusion, Bobcar should be entitled to relitigate every future use of the same Aardy vehicle as trade dress infringement, on grounds that Bobcar's trade dress may *now* have acquired secondary meaning.

B. Patent Infringement: Legal Standard

There are "five elements of a patent infringement pleading, to (i) allege ownership of the patent, (ii) name each defendant, (iii) cite the patent that is allegedly infringed, (iv) state the means by which the defendant allegedly infringes, and (v) point to the sections of the patent law invoked." *Hall v. Bed Bath & Beyond, Inc.*, 705 F.3d 1357, 1362 (Fed. Cir. 2013) (citing *Phonometrics, Inc. v. Hospitality Franchise Systems, Inc.*, 203 F.3d 790, 794 (Fed. Cir. 2000)); *see also Digigan, Inc. v. Ivalidate, Inc.*, No. 02-CV-420, 2004 WL 203010, at *4 (S.D.N.Y. Feb. 3, 2004) (applying the *Phonometrics* standard).

Plaintiff has pleaded the five elements of patent infringement, alleging ownership, naming each defendant, citing the allegedly infringed patents, stating the means of infringement, and pointing to the sections of patent law invoked. Defendants argue, however, that the FAC does not plausibly allege design patent infringement, and that the utility patents are invalid under 35 U.S.C. § 101 as being directed to an unpatentable abstract idea. (*See* ECF 53 at 23-31); *see also Mayo Collab. Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012); *Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208 (2014). For the reasons stated below, I recommend dismissal of all of Plaintiff's design patent infringement claims, but recommend denying dismissal of the claims for utility patent infringement.

1. Design patent infringement (D '353, D'823, D '675)

A "design patent, unlike a utility patent, limits protection to the ornamental design of the article." *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1293 (Fed. Cir. 2010). Thus, design patents have almost no scope beyond the precise images shown in the drawings. *Wine*

Enthusiast, Inc. v. Vinotemp Int'l Corp., 317 F. Supp.3d 795, 800-801 (S.D.N.Y. 2018) (internal citations and quotations omitted).

The parties agree that, in determining whether an accused product infringes a patented design ... court[s] appl[y] the 'ordinary observer' test ...." *Crocs, Inc. v. Intl. Trade Com'in*, 598 F.3d 1294, 1303 (Fed. Cir. 2010) (citing *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed.Cir.2008)). When applying the ordinary observer test, a court assesses whether "the claimed design and the accused design will be sufficiently distinct that it will be clear without more that the patentee has not met its burden of proving the two designs would appear substantially the same to the ordinary observer." *Egyptian Goddess*, 543 F.3d at 678. The ordinary observer test "applies to the patented design in its entirety, as it is claimed." *Crocs*, 598 F.3d at 1303. A court applying the test should not concentrate on "minor differences between the patented design and the accused products to prevent a finding of infringement." *Id.*

Bobcar asserts that the Court should be bound by Judge Oetken's ruling in January 2017, which denied dismissal at the pleading stage, and found that Bobcar's allegations were plausible that the Aardy vehicles were sufficiently similar to deceive the ordinary observer, and that the designs were "virtually identical." *Bobcar I*, ECF 21 at 9-10. Moreover, Bobcar argues, the design patent claim(s) must be construed before any finding of infringement or non-infringement can be made. (ECF 58 at 19-20).

Defendants, meanwhile, assert two bases for dismissal: first, that Plaintiff has failed to plead direct rear views of the allegedly infringing vehicles in this case, and that even to an ordinary observer, the two vehicles are not substantially similar. (*See* ECF 53 at 15, n. 4).

As a preliminary matter, this Court is not "bound" by Judge Oetken's determination: first, after deciding that the patent claims in *Bobcar I* could proceed to discovery, he later found that Bobcar did not have standing, and dismissed the patent claims in *Bobcar I* (while then ruling against Bobcar on the trade dress claims). *See Bobcar I*, ECF 117. Moreover, the photographs cited of the Aardy vehicles from the *Bobcar I* complaint are not of Defendants' vehicles and, as Defendants note, consist only of side views of the allegedly infringing vehicles. *Compare Bobcar I*, ECF 21 at 8-10 with (ECF 45-8, 45-10). Here, although Bobcar has not shown (*i.e.*, pleaded) direct rear views of the allegedly infringing vehicles, it has pleaded sufficient partial/rotated rear views sufficiently for the Court to find that the allegedly infringing vehicles are not substantially similar to the patented Bobcar vehicles, viewing the vehicles in their entirety.

Bobcar's design patents are not infringed by the Aardy vehicles used by Defendants. No ordinary observer would think that the Aardy vehicles are substantially similar (let alone "virtually identical") to Bobcar's design patents. The solid lines on the design patents show an advertising vehicle where three of the four "walls" of the mobile showroom slide or flip up to reveal the interior space in which products can be shown. The walls in their open form are on the same plane as the walls of the cab in their closed position. (*See* ECF Nos. 45-4, 45-5, 45-6). The photos of the Aardy vehicles used by Defendants look very different to the ordinary observer. (*See* ECF 53 at 21.) For example, the panels on Defendants' vehicles flip up to create an overhang over the open sides of the van. Plaintiff's panels do not. Defendants' panels are L-shaped, and Plaintiff's are not. Several photographs of the allegedly infringing vehicles show partial rear views where the rear side is not open, or is a flat but inset panel, or shows a shelf

jutting out from the rear, perpendicular to the plane of the cab walls in Plaintiff's design patents.

(ECF Nos. 45-8, 45-10).

Accordingly, Plaintiff's claims of design patent infringement should be dismissed.

2. Utility Patent Infringement (U '461, U '854, U '215)

Turning to the utility patents, Defendants argue that the utility patent claims "reflect nothing more than an abstracted recitation of the design covered by Bobcar's trade dress and design patents, which, given that trade dress[] and design patent claims are necessarily non-functional, in effect concedes that the utility patent claims cannot pass muster under § 101." (ECF 60 at 13-14) (arguing that Plaintiff's patents are directed only to "abstract idea of mobile sales and advertising" under *Alice*, 573 U.S. 208 and *Mayo*, 566 U.S. 66 ("*Alice*/*Mayo*"). While there is some visceral appeal to this argument since the language in the specifications closely tracks the language and pictures in the design patents, Defendants bear a heavy burden to show invalidity at the pleadings stage. *See Interactive Wearables, LLC v. Polar Electro Oy*, 501 F. Supp.3d 162, 170-71 (E.D.N.Y. 2020) (articulating standard for reviewing § 101 invalidity

arguments at pleadings stage); *see also Alice*, 573 U.S. 208 at 217; *Mayo*, 566 U.S. at 77. Plausible factual allegations regarding inventiveness, viewed "in the light most favorable to the plaintiff and with every doubt resolved in the pleader's favor" will result in the motion being denied. *Interactive Wearables*, 501 F. Supp.3d. at 171 (quoting concurrence in *Berkheimer v. HP Inc.*, 890 F.3d 1369 (Fed. Cir. 2018)). Where claims asserted in the patents "contain only minor differences in terminology but require performance of the same basic process, they should rise or fall together," and the Court may rule on them collectively. *Interactive Wearables*, 501 F. Supp.3d. at 171.

The burden on Defendants is high at the pleadings stage, and I find that the utility patents pass step one of the Alice/Mayo test.[4] All three utility patents are plausibly directed at a moving vehicle consisting of a cab and a rear "showroom" that can be opened by moving panels on the left, right and rear sides. When the panels are closed, the interior of the showroom and any products therein are hidden from view and can be transported from one location to another. When the panels are open, there is an interior space which is large enough to permit users to reach in and interact with the products inside. The panels, when raised, can also be used as billboards. (*See*, *e.g.*,FAC ¶¶ 112-129). Moreover, Plaintiff has alleged non-infringing mobile advertising vehicles, including non-infringing vehicles that have open space at the rear. (*See id.*; *see also* ECF 45-16). Thus, the utility patents do more than simply recite a desired result of presenting mobile advertising, but "recite a specific solution for accomplishing

[4] In recommending denial of dismissal on invalidity grounds at the pleading stage, I am expressly not addressing whether the utility patents are "sufficiently distinct from the existing art such that they satisfy the novelty and non-obviousness requirements of 35 U.S.C. §§ 102 and 103. *Jacob's Jewelry Co., Ltd. v. Tiffany and Company*, No. 20-CV-4291 (KPF), 2021 WL 2651656, at *4 at n.2. (S.D.N.Y. 2021). Also not before me at this time is the interplay, if any, between my recommendation to dismiss Plaintiff's trade dress and design patent claims and Plaintiff's alleged infringement of the utility patents here.

that goal." *See, e.g., Jacob's Jewelry Co.*, 2021 WL 2651656 at *4 (applying Alice/Mayo test to deny dismissal on invalidity grounds at 12(b)(6) stage where jewelry patents applied natural law to achieve results, and noting that "[p]atent does not claim a monopoly on the general principle of light reflection and refraction or the fact that gemstones specifically may show different colors depending on viewer position"). Likewise, Plaintiff here does not claim a monopoly over the general principle of using vehicles to conduct mobile marketing campaigns, or even of using vehicles where the rear area may be opened in some way to further a mobile marketing campaign. Indeed, Plaintiff has pleaded mobile advertising vehicles that it claims do not infringe on its utility patents. With every doubt resolved in the pleader's favor at this time, this is sufficient to avoid a dismissal on invalidity grounds at the pleadings stage.

III. CONCLUSION AND OBJECTIONS

For the reasons set forth above, I respectfully recommend that Defendants' Motion to Dismiss be **GRANTED** as follows:

1) Dismissing only the design patent infringement claims in Count I; and

2) Dismissing Counts II and III, for trade dress and New York unfair competition, respectively, in their entirety, as precluded by *Bobcar I*.

In accordance with 28 U.S.C. § 636(b)(1) and Fed. R. Civ. P. 72(b), the parties shall have fourteen (14) days (including weekends and holidays) from receipt of this Report to file written objections. *See also* Fed. R. Civ. P. 6 (allowing three (3) additional days for service by mail). A party may respond to any objections within fourteen (14) days after being served. Such objections, and any responses to objections, shall be addressed to the Hon. Alvin K. Hellerstein.

Any requests for an extension of time for filing objections must be directed to Judge Hellerstein.

FAILURE TO FILE OBJECTIONS WITHIN FOURTEEN (14) DAYS WILL RESULT IN A WAIVER OF OBJECTIONS AND WILL PRECLUDE APPELLATE REVIEW. *See Thomas v. Arn*, 474 U.S. 140, 155 (1985); *IUE AFL-CIO Pension Fund v. Herrmann*, 9 F.3d 1049, 1054 (2d Cir. 1993); *Frank v. Johnson*, 968 F.2d 298, 300 (2d Cir. 1992); *Wesolek v. Canadair Ltd.*, 838 F.2d 55, 58 (2d Cir. 1988); *McCarthy v. Manson*, 714 F.2d 234, 237-38 (2d Cir. 1983).

SO ORDERED.

Dated: March 23, 2023
New York, New York

/ Ona T. Wang
Ona T. Wang
United States Magistrate Judge