

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
DAVENPORT DIVISION

TMT MANUFACTURING, INC.,

Plaintiff,

vs.

ILLOWA RESOURCE DEVELOP,
INC., *dba* LARRY'S MARINE,

Defendant.

No. 3:08-cv-0106-JAJ

ORDER

This matter comes before the court pursuant to the September 29, 2008, motion to dismiss filed by defendant Illowa Resource Development, Inc. [dkt. 5]. Plaintiff resisted Illowa's motion on October 15, 2008 [dkt. 9].

On August 15, 2008, plaintiff filed its complaint in this matter alleging breach of contract (Count 1), violation of patent (Count II), violation of trade secrets (Count III), copyright infringement (Count IV), interference with business relations (Count V), and interference with prospective business advantage (Count VI). According to the complaint, federal jurisdiction in this matter is premised on the Copyright Laws of the United States, 17 U.S.C. § 100 *et seq.*, and because it claims patent infringement under 35 U.S.C. § 281 and 28 U.S.C. §1338(A). Plaintiff alleges that the court has pendent jurisdiction over its state law claims.

Illowa moves to dismiss pursuant to FED. R. CIV. P. 12(b)(1), arguing that this court does not have subject matter jurisdiction because no patent was ever issued and because no copyright was registered. Alternatively, Illowa argues that plaintiff's complaint fails to state a claim upon which relief may be granted, thereby warranting dismissal under FED. R. CIV. P. 12(b)(6).

Plaintiff resists, arguing that the courts should exercise jurisdiction even absent the issuance of a patent, and afford protection for provisional and patent pending applications

because the patent process is long, onerous and complex. Plaintiff acknowledges that its provisional patent application was denied, but requests that the court consider modifying or clarifying existing law to encompass Illowa's alleged potentially infringing actions, undertaken with knowledge that plaintiff's patent application was pending. Plaintiff further argues that dismissal of its copyright claim is not warranted because its design for a Universal Depth Boat is entitled to federal common law copyright protection.

The law is clear that the issuance of a patent is required to create a justiciable case or controversy. GAF Building Materials Corp. v. Elk Corp. of Dallas, 39 U.S.P.Q.2d 1463, 1466 (Fed. Cir. 1996). "Justiciability must be judged as of the time of filing, not as of some indeterminate future date when the court might reach the merits and the patent has issued." Id. There is nothing to clarify and the court declines the plaintiff's request to modify existing law, leaving that job to the legislature. No patent ever issued in this matter. The court lacks subject matter jurisdiction over plaintiff's patent infringement claim.

Likewise, the court lacks subject matter jurisdiction over plaintiff's copyright infringement claim. Section 411 of the Copyright Act states, in pertinent part:

[N]o action for infringement of the copyright in any United States work shall be instituted until registration of the copyright has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the application is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights.

17 U.S.C. §411(a).

The case law is clear that copyright registration is a jurisdictional prerequisite to an infringement action under section 411. See Denenberg v. Berman, 64 U.S.P.Q.2d 1054 (D. Neb. 2002); Olan Mills, Inc. v. Linn Photo Co., 23 F.3d 1345 (8th Cir. 1994); Berlyn,

Inc. v. The Gazette Newspapers, Inc., 157 F. Supp. 2d 609 (D. Md. 2001)(dismissing plaintiff’s copyright infringement claim for lack of subject matter jurisdiction as “[t]here are no allegations in the complaint that Berlyn or *The Prince George’s County Sentinel* holds a statutory copyright, or ever applied for a copyright, on the stories written by its former employee”). Plaintiff’s complaint does not allege that it has ever applied for a copyright. Thus, the court lacks subject matter over its copyright infringement claim.

However, section 502 of the Copyright Act empowers a district court to enjoin further infringement of a copyright, and that power is not limited to registered copyrights. Olan Mills v. Linn Photo Co., 23 F.3d 1345, 1349 (8th Cir. 1994). “When a copyright owner has established a threat of continuing infringement, the owner is entitled to an injunction regardless of registration.” Id. (citations omitted). The prayer for relief related to plaintiff’s copyright infringement claim, states:

Wherefore, the Plaintiff respectfully request [sic] that this court enter judgment in favor of the Plaintiff and against the Defendants, to enjoin the Defendants permanently and during the pendency of this action, and all persons associated therewith or acting on behalf of the Defendants, from engaging in any future acts of infringement including building, manufacturing, or duplicating any water craft which is substantially similar to or consistent with the information which is used to create the Phowler Series of Water Craft as Plaintiff described [sic] its distribution agreement and in the patent application.

This court has jurisdiction to entertain plaintiff’s request for injunctive relief in connection with its copyright infringement claim, but not its request for monetary damages.

Upon the foregoing,

IT IS ORDERED that defendant Illowa's motion to dismiss [dkt. 5] is granted in part and denied in part. Count II of plaintiff's complaint is dismissed. Count IV of plaintiff's complaint is dismissed as to its damage claim and retained as to its claim for injunctive relief.

DATED this 14th day of November, 2008.



JOHN A. JARVEY
UNITED STATES DISTRICT JUDGE
SOUTHERN DISTRICT OF IOWA