

Welter's Co., LTD. and Dental Concepts, LLC, oppose the motion.¹ I have considered the papers submitted in support of and in opposition to the motion. There was no oral argument. Rule 78.

BACKGROUND

Plaintiff Welter's Co., LTD. ("Welters"), is a corporation organized under the laws of Taiwan, R.O.C., with no offices in the United States. Plaintiff Dental Concepts, LLC ("Dental"), is a limited liability company organized under the laws of Delaware, with its offices in Paramus, New Jersey. Defendant Bandwagon, Inc. ("Bandwagon"), is a Massachusetts corporation with no offices in New Jersey.

Bandwagon is in the business of selling a variety of products to independent distributors that in turn market the products through catalogs. Welters holds a U.S. patent on a dental pick that is sold in the United States. Bandwagon received multiple trade publications in the mail and addressed to it in Massachusetts which contained advertisements for dental picks referred to as "BRUSHPICKS" by Welters. Bandwagon wrote to Welters in September of 1995 and requested a quote for the purchase of 6000 items of the BRUSHPICKS product. Welters responded to Bandwagon's request with a return letter on September 18, 1995, which included a quote for various quantities of BRUSHPICKS and indicated that a catalog and samples were being shipped from Welters to Bandwagon by airmail. Additional correspondence by both mail and facsimile occurred between Welters and Bandwagon in September and October of 1995. Bandwagon began importing Welter's BRUSHPICKS through a Taiwan import-export company called Cheering Couple Enterprise Co., Ltd. ("Cheering"), in December of 1995, and continued to do so through the latter part of 1999.

In December of 1999 Bandwagon placed an order with Cheering for additional BRUSHPICKS. Cheering responded by advising Bandwagon that it could no longer sell the

¹ Defendant Arthur Hovey ("Hovey") also moved to dismiss or transfer for improper venue and joined in the motion to transfer. Plaintiffs have dismissed their complaint against Hovey. Accordingly, Hovey's motion is moot and only Bandwagon's motion remains to be resolved.

product to Bandwagon because Welter's had entered into an exclusive distributor agreement with Dental. Cheering further advised Bandwagon to contact Dental regarding any purchases of BRUSHPICKS. Bandwagon contacted Dental and was informed that Dental would not sell BRUSHPICKS to Bandwagon.

Bandwagon developed its own dental pick and subsequently received a U.S. Patent on the product on May 15, 2001. Thereafter, Bandwagon sold, and continues to sell, its own dental pick referred to as "DENTAPICKS" to its customers. In March of 2001, Seth Natter, Esq., an attorney representing both Welter's and Dental, sent a letter to Bandwagon alleging patent and trade dress infringement and demanded that Bandwagon cease and desist selling DENTAPICKS and fully account for any profits Bandwagon received on all sales of DENTAPICKS or be faced with the prospect of litigation.

Bandwagon filed a complaint on April 13, 2001 for a declaratory judgment for patent non-infringement and invalidity, and for trade dress non-infringement in the District of Massachusetts which is currently pending, but did not file proof of service on Dental until June 11, 2001. On July 23, 2001, *Letters Rogatory* were issued for service of process on Welter's in Taiwan.

Welter's and Dental filed the Complaint *sub judice* on June 28, 2001 alleging patent and trade dress infringement by Bandwagon. The subject matter of this action is essentially identical to the one pending in the District of Massachusetts.

DISCUSSION

The first-filed rule is implicated when "two or more cases covering the same subject matter are filed in different jurisdictions" Fischer & Porter Co. v. Moorco Int'l Inc., 869 F. Supp. 323, 324-25 (E.D. Pa. 1994). The rule states that, "[i]n all cases of federal concurrent jurisdiction, the court which has first possession of the subject must decide it." Smith v. McIver, 22 U.S. (9 Wheat.) 532, 535 (1824). The rule recognizes the "importance to all litigants to have a single determination of their controversy, rather than several decisions" Crosley v.

Hazeltine, 122 F.2d 925, 930 (3d Cir. 1941). In addition, "the first-filed rule has routinely been applied when the first-filed suit is an action for declaratory judgment." Fischer, 869 F. Supp. at 325.

The district courts have the discretion to retain jurisdiction in situations in which the first-filed rule is implicated. E.E.O.C. v. University of Pennsylvania, 850 F.2d 969, 971 (3d Cir. 1988). However, "[c]ourts must be presented with exceptional circumstances before exercising their discretion to depart from the first-filed rule." 850 F.2d at 979. Possible exceptional circumstances include 1) bad faith, (Crosley Co. v. Westinghouse Electric & Mfg. Co., 130 F.2d 474, 476 (3d Cir. 1942)), 2) when "forum shopping is the *sole* reason for the choice of the situs in the first suit," (Mattel, Inc. v. Louis Marx & Co., 353 F.2d 421, 424 n. 4 (2d Cir. 1965)), and 3) "when the first-filing party instituted suit in one forum in anticipation of the opposing party's imminent suit in another, less favorable, forum." E.E.O.C., 850 F.2d at 976.

Bandwagon has not acted in bad faith by filing suit for declaratory relief in Massachusetts. Bandwagon received a letter from an attorney representing the plaintiffs which demanded that Bandwagon cease and desist from selling its DENTAPICKS product. Because Dental was unwilling to sell Bandwagon its BRUSHPICKS, Bandwagon was faced with the possibility of becoming unable to service its customers. Therefore, Bandwagon did not act in bad faith in seeking relief.

Forum shopping is not the sole reason for Bandwagon's choice of forum because Massachusetts is a logical place to litigate this dispute. Bandwagon is a Massachusetts corporation with no offices in New Jersey. Bandwagon received all of the product implicated in this litigation in Massachusetts and shipped all of the product from Massachusetts. Bandwagon repeatedly corresponded with plaintiffs from Massachusetts. Most acts related to this matter occurred in Massachusetts. Therefore, it is logical that Bandwagon would seek relief in Massachusetts.

There is no evidence that Bandwagon's filing of an action in New Jersey was instituted in anticipation of the opposing party's imminent suit in another, less favorable, forum. Only one claim is pending between Dental and Bandwagon and most acts related to this matter occurred in Massachusetts.

CONCLUSION

For the foregoing reasons, Bandwagon's motion to transfer venue is GRANTED.

SO ORDERED.

A handwritten signature in black ink, appearing to read "Ronald J. Hedges", written over a horizontal line.

RONALD J. HEDGES
UNITES STATES MAGISTRATE JUDGE

Orig: Clerk of the Court

Cc: Judge Politan
Addresses
File