

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 07-80266-CIV-RYSKAMP/VITUNAC

MILLENNIUM COOLING, INC., a Florida
corporation,

Plaintiff,

vs.

THERMAL TECHNOLOGIES, INC., a South
Carolina corporation,

Defendant.

**AMENDED COMPLAINT FOR
DECLARATORY JUDGMENT**

Plaintiff, Millennium Cooling, Inc., a Florida corporation, by and through undersigned counsel, sues Defendant, Thermal Technologies, Inc., a South Carolina corporation, and alleges as follows:

NATURE OF SUIT

1. This is a civil action seeking a declaratory judgment under 28 U.S.C. §§ 2201 and 2202 that (a) U.S. Patent No. 5,778,557 to Roland Leavens (the '557 patent), a copy of which is attached as Exhibit A is invalid and unenforceable under the Patent Act of 1952, 35 U.S.C. §§ 1 et seq., due to the inequitable conduct of the purported inventor during the procurement of the '557 patent at issue; (b) Defendant's U.S. Patent No. 5,373,780 to Michael Bianco (the '780 patent), a copy of which is attached as Exhibit B, is invalid because the claimed ripening room is not novel; and (c) Plaintiff's activities related to its sales and offers to sell certain ripening rooms do not constitute patent infringement of the '557 patent and the '780 patent (collectively, the "Patents-in-Suit").

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over the federal causes of action pursuant to 28 U.S.C. §§1331 and 1338(a) and 28 U.S.C. §2201.

3. This Court has personal jurisdiction over the Defendant because, upon information and belief, the Defendant has engaged in substantial and continuous commercial activity in Florida, the Defendant is registered with the Florida Department of State to transact business in Florida, and because the conduct giving rise to this action arose in Florida. In addition, Defendant has subjected itself to the personal jurisdiction of the Court by voluntarily asserting counterclaims against the Plaintiff.

4. Venue is proper in this District under 28 U.S.C. §1391(b), (c).

THE PARTIES

5. Plaintiff is a Florida corporation organized and existing under the laws of the State of Florida and maintains a place of business at 1205 S.W. 4th Avenue, Delray Beach, Florida 33444.

6. Defendant is a corporation organized and existing under the laws of the State of South Carolina and maintains its principal place of business at 130 Northpoint Court, Blythewood, South Carolina 29016.

GENERAL ALLEGATIONS

7. Plaintiff is a manufacturer of environmental control systems used to store and ripen fruit prior to distribution for sale. Plaintiff sells its ripening rooms around the world, including in the United States. Plaintiff's principal, Michael Bianco, is the inventor of several patents related to ripening room technology, two of which were at issue in the instant action when originally filed.

8. Defendant competes with Plaintiff by manufacturing ripening rooms.

9. On March 14, 2007, Defendant sent Plaintiff a letter in which Defendant claims to have conducted an “inspection” of one or more ripening rooms manufactured by Plaintiff and, based on such inspection, accuses Plaintiff of infringing one or more patents of which Defendant claims to be the “exclusive licensee or the owner.” A copy of the March 14, 2007 letter is attached as Exhibit C.

10. Defendant, through its attorneys, has admitted to never having conducted such an inspection, and that, instead, its presuit analysis was based on stock photographs taken by Mr. Bianco during the installation of ripening rooms that he helped to install prior to the formation of the corporate Plaintiff, Millennium Cooling, Inc.

11. Both Plaintiff and, upon information and belief, Defendant have bid on a large contract to provide ripening rooms to a customer in the United States. Plaintiff filed this suit out of a desire for a prompt determination of Defendant’s infringement claims so as to avoid Defendant inappropriately interfering with Plaintiff’s ability to compete for this and other business.

12. In the March 14, 2007 cease and desist letter, Defendant identified four U.S. patents that Defendant asserted that Plaintiff was infringing:

- a. the ‘780 patent, a copy of which is attached as Exhibit A;
- b. the ‘557 patent, a copy of which is attached as Exhibit B;
- c. U.S. Patent No. 5,566,608 to Mehrdad Vejdani, et al. (the ‘608 patent); and
- d. U.S. Patent No. 5,789,007 to Michael Bianco (the ‘007 patent).

13. After Plaintiff filed its original declaratory judgment complaint, Defendant provided Plaintiff with a covenant-not-to-sue on the ‘608 patent and the ‘007 patent, two of the four original patents that Defendant accused Plaintiff of violating. Hence, now only two patents remain at issue, one of which is the Bianco ‘780 patent and the other, the ‘557 patent.

14. Defendant claims that it “holds all substantial rights” in the ‘557 patent, “including the right to enforce the ‘557 Patent without the patentee against infringers.” Because Defendant has yet to produce the alleged patent license agreement between the patentee and Defendant, Plaintiff cannot ascertain whether Defendant would have legal standing to assert the ‘557 patent.

15. Plaintiff does not make, use, offer to sell, or sell any product or service that reads on any of the claims contained in the Patents-in-Suit.

16. Plaintiff has not induced any third party to make, use, offer to sell, or sell any product or service that reads on any of the claims contained in the Patents-in-Suit.

17. All conditions precedent to bringing this action have occurred or have been waived.

18. Plaintiff has retained undersigned counsel and is obligated to pay said counsel a reasonable fee for their services.

COUNT I

Declaration That the ‘557 Patent is Unenforceable Because of the Patentee and Purported Inventor’s Fraud on the Patent Office

19. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.

20. This is an action seeking declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202 that the ‘557 patent is invalid and unenforceable under the doctrine of inequitable conduct also known as fraud on the patent office.

21. Pursuant to 37 C.F.R. § 1.56, each person and entity associated with the filing or prosecution of a patent application has a duty to conduct business with the U.S. Patent & Trademark Office (USPTO) with candor, good faith, and honesty.

22. The duty of candor under 37 C.F.R. § 1.56 imposes on each inventor named in the application, each attorney who prepares or prosecutes the application, and each individual associated with the assignee of the application, the duty to disclose to the USPTO all information known to the inventor, attorney or individual to be material to patentability of the invention described in the application.

23. The '557 Patent applicant, Roland B. Leavens, his attorney, and his company knew of their duty of candor to the USPTO.

24. Violation of the duty of candor through bad faith or intentional misconduct during or after prosecution of the application subjects any patent issued therefrom to become unenforceable.

25. Upon information and belief, prior to the issuance of the '557 patent on July 14, 1988 and from at least as early as 1982, Leavens' company, Food Plant Engineering, Inc., was in the business of selling and installing ripening rooms similar to the ripening rooms described in the '557 patent. Upon information and belief, prior to issuance of the '557 patent on July 14, 1998, Leavens and his attorneys knew about the sales and offers to sell of ripening rooms by Leavens' company, Food Plant Engineering, Inc.

26. Upon information and belief, Leavens and his attorneys failed to disclose information about the different ripening room designs that Food Plant Engineering, Inc. was offering for sale more than one year prior to the filing date of the '557 patent application. Instead, Leavens and his attorneys limited their disclosure of prior art related to Food Plant Engineering, Inc.'s activities to two blueprints.

27. After the patent examiner reviewed a brochure published by Defendant, the examiner rejected Leavens' patent application on the basis that the ripening room disclosed in the brochure anticipated the claimed invention.

28. Leavens responded with a Declaration claiming to have invented his ripening room prior to the system disclosed in the brochure.

29. The examiner again rejected Leavens' patent application on the basis that "From the facts given by Mr. Leavens, in the 37 CFR 1.131 declaration, it appears that this invention was on sale more than one year prior to the filing date of 9/23/92. On page 2 of the declaration it states that a contract was made prior to 10/1991 at which time a blueprint of the invention was made. The fact that the invention was not reduced to practice prior to 9/23/91 is not controlling."

30. Leavens responded to the patent examiner's rejection by submitting a declaration that supports an admission of an offer to sell, and an acceptance of that offer, of an apparatus having most, if not all, of the structures claimed in the '557 patent application more than one year prior to the filing of the patent application, but his attorneys asserted that the device described in the offer for sale was not ready for patenting more than one year prior to the filing date. Upon information and belief, this assertion was false and misleading.

31. As evidenced by Leavens' own sworn statements submitted to the patent examiner, Leavens admits that he did offer for sale a ripening room having many, if not all, of the structures claimed in the '557 patent. Leavens argued that the offer for sale should not be held against him because his claimed invention was not ready for patenting. This argument was and is misleading because (1) upon information and belief, the claimed invention was ready for patenting; and (2) the argument does not negate that Leavens indeed made an offer for sale of a ripening room that included structures that were later claimed in the '557 patent application. Accordingly, his arguments and declarations were intentionally misleading.

32. The very documents relied upon by Leavens in arguing with the patent examiner evidence that the offeree accepted the offer made by Leavens through his company, and the offeree instructed Leavens' company to go forward with the installation of a ripening room more

than one year prior to the filing date of the '557 patent. Furthermore, it is apparent from such documents that the ripening room was ready for patenting more than one year prior to the filing of the '557 patent. Hence, the ripening room design disclosed and offered for sale to the offeree more than one year prior to the September 23, 1992 filing date of the '557 patent application is prior art, and was highly material to patentability.

33. Leavens' response to the examiner's rejection of the patent application, together with his second declaration, amount to inequitable conduct in that Leavens knew that the offer for sale included most, if not all, of the apparatus later claimed in the patent application filed more than one year later and that such apparatus was ready for patenting, but he nevertheless argued with the patent examiner that because detailed drawings were not completed more than one year prior to the filing date, it did not constitute the sale or offer for sale of an apparatus as claimed in the patent application.

34. The information about the sale was material to patentability with respect to the '557 patent because there is a substantial likelihood that a reasonable patent examiner would have considered the information important in deciding whether to allow the patent application to issue as the '557 patent.

35. After filing the '557 patent application that eventually issued into the '557 patent but before the '557 patent issued, Leavens assigned his interest in the pending patent application to his company, Food Plant Engineering, Inc.

36. Leavens, Food Plant Engineering, Inc. and their attorneys, failed to disclose to the USPTO material prior art information about ripening rooms sold by Food Plant Engineering, Inc. in violation of 37 C.F.R. § 1.56. In addition, Leavens intentionally mislead the patent examiner about the true nature and scope of the offer for sale Food Plant Engineering, Inc. had made more than one year prior to the filing date of the patent application that issued into the '557 patent.

37. Upon information and belief, the Leavens' and Food Plant Engineering, Inc.'s, and/or their attorneys' failure to disclose the prior art ripening room information together with Leavens' misleading sworn statement to the USPTO was willful and with the intent to mislead the USPTO.

38. Therefore, the '557 patent should be declared unenforceable because of Leavens', Food Plant Engineering the Patent Applicants', the Defendant's, and/or their attorneys' inequitable conduct.

COUNT II

Declaratory Judgment of Patent Invalidity and Unenforceability Of the '557 Patent for On-Sale Bar Under 35 U.S.C. § 102

39. The allegations contained in paragraphs 1-18 and 25-32 above are hereby re-alleged as if fully set forth herein.

40. This is an action for a declaratory judgment of patent invalidity under 35 U.S.C. § 102 against Defendant pursuant to 28 U.S.C. §§ 2201 and 2202.

41. Upon information and belief, more than one year prior to the filing of the patent application that issued as the '557 patent, the company that employed Leavens offered for sale and sold a ripening room system that anticipated the invention claimed in the '557 patent.

42. Therefore, the '557 patent should be declared invalid in accordance with 35 U.S.C. § 102.

COUNT III

Declaratory Judgment of Patent Invalidity and Unenforceability Of the '557 Patent for Lack of Novelty Under 35 U.S.C. § 103

43. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.

44. This is an action for a declaratory judgment of patent invalidity under 35 U.S.C. § 103 against Defendant pursuant to 28 U.S.C. §§ 2201 and 2202.

45. Upon information and belief, prior to the issuance of the '557 patent on July 14, 1988 and from at least as early as 1982, Leavens' company, Food Plant Engineering, Inc., was in the business of selling and installing ripening rooms similar to the ripening rooms described in the '557 patent. Upon information and belief, prior to issuance of the '557 patent on July 14, 1998, Leavens and his attorneys knew about the sales and offers to sell of ripening rooms by Leavens' company, Food Plant Engineering, Inc.

46. Upon information and belief, Leavens and his attorneys failed to disclose all relevant prior art information about the different ripening room designs that Food Plant Engineering, Inc. was offering for sale more than one year prior to the filing date of the '557 patent application. Instead, Leavens and his attorneys limited their disclosure to two blue prints.

47. The differences between the ripening room designs claimed in '557 patent and the prior art, including, but not limited to, the ripening rooms disclosed in Food Plant Engineering, Inc.'s offer for sale, are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art of ripening rooms.

48. Therefore, the '557 patent should be declared invalid in accordance with 35 U.S.C. § 103.

COUNT IV

Declaration That Plaintiff Does Not Infringe the '557 Patent

49. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.

50. This cause of action arises under 28 U.S.C. §§ 2201 and 2202.

51. By virtue of the foregoing, Plaintiff has a reasonable and immediate apprehension of suit in that it or its customers or both of them will face continued claims of infringement of the '557 Patent if Plaintiff or its customers continue to manufacture, sell or use Plaintiff's ripening rooms.

52. Plaintiff does not make, use, offer to sell, or sell any product or service that reads on any of the claims contained in the '557 Patent.

53. Plaintiff is entitled to a declaration that its manufacturing, marketing, distributing, selling or offering to sell its ripening room systems does not infringe the '557 Patent, either directly, or by active inducement or contributory infringement.

COUNT V

Declaratory Judgment of Patent Invalidity and Unenforceability Of the '780 Patent for Lack of Novelty Under 35 U.S.C. § 103

54. The allegations contained in paragraphs 1-18 and 25-32 above are hereby re-alleged as if fully set forth herein.

55. This is an action for a declaratory judgment of patent invalidity under 35 U.S.C. § 103 against Defendant pursuant to 28 U.S.C. §§ 2201 and 2202.

56. The differences between the ripening room designs claimed in '780 patent and the prior art, including, without limitation, the ripening rooms disclosed in the prior art Bianco Patent No. 4,824,685 and Food Plant Engineering, Inc.'s offer for sale are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art of ripening rooms.

57. Therefore, the '780 patent should be declared invalid in accordance with 35 U.S.C. § 103.

COUNT VI

Declaration That Plaintiff Does Not Infringe the '780 Patent

58. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.

59. This cause of action arises under 28 U.S.C. §§ 2201 and 2202.

60. By virtue of the foregoing, Plaintiff has a reasonable and immediate apprehension of suit in that it or its customers or both of them will face continued claims of infringement of the '780 Patent if Plaintiff or its customers continue to manufacture, sell or use Plaintiff's ripening rooms.

61. Plaintiff does not make, use, offer to sell, or sell any product or service that reads on any of the claims contained in the '780 Patent in the United States.

62. Plaintiff is entitled to a declaration that its manufacturing, marketing, distributing, selling or offering to sell its ripening room systems does not infringe the '780 Patent, either directly, or by active inducement or contributory infringement.

Prayer for Relief

WHEREFORE, Plaintiff, Millennium Cooling, Inc. prays for entry of a judgment against Defendant, Thermal Technologies, Inc., declaring as follows:

1. That U.S. Patent No. 5,778,557 is invalid and unenforceable because of the inequitable conduct of Leavens and his company, Food Plant Engineering, Inc., because of their intentional failure to disclose material prior art information to the USPTO prior to the issuance of the patent, and because of Leavens' misleading statements to the patent examiner during the prosecution of the '557 patent.

2. That U.S. Patent No. 5,778,557 is invalid because the ripening room claimed in the patent was on sale more than one year prior to the filing of the patent application that issued as the '557 patent.

3. That U.S. Patent No. 5,778,557 is invalid and unenforceable because the differences between the ripening rooms claimed in '557 patent and the prior art, including the prior art ripening rooms sold by Food Plant Engineering, Inc., are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art of ripening rooms.

4. That Plaintiff's importation, use, sales of, manufacture and offers to sell its ripening rooms do not constitute patent infringement of U.S. Patent No. 5,778,557.

5. That U.S. Patent No. 5,373,780 is invalid and unenforceable because the differences between the ripening rooms claimed in '780 patent and the prior art, including the prior art ripening rooms sold by Food Plant Engineering, Inc., are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art of ripening rooms.

6. That Plaintiff's importation, use, sales of, and offers to sell its ripening rooms do not constitute patent infringement of U.S. Patent No. 5,373,780.

7. That Defendant and its officers, agents, employees, successors, assigns, and all persons or entities acting on its behalf or any of them, and all persons acting in concert with them, are permanently enjoined from asserting that Plaintiff's ripening rooms, or anyone acting in concert with Plaintiff in the manufacturing, marketing, selling, installing or using of such systems, infringe the Patents-in-Suit.

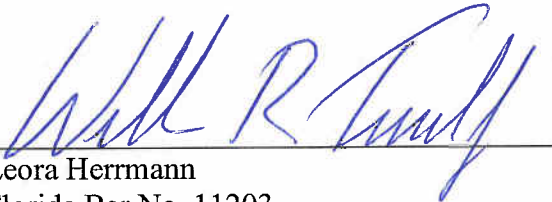
8. That Defendant shall notify in writing any and all parties that Defendant has notified that it believes Plaintiff's system infringes the Patents-in-Suit that Plaintiff is not infringing the Patents-in-Suit.

9. That the Court finds this case exceptional and awards Plaintiff its reasonable attorneys' fees and costs under 35 U.S.C. §285; and

10. That this Court granted Plaintiff such other and further relief this Court deems just and proper.

Dated: October 30, 2007

By:



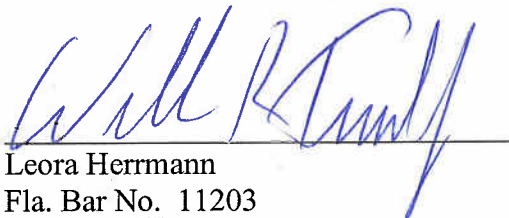
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 2, 2007, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that this document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by

CM/ECF or in some other authorize manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.



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