

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

TSE INDUSTRIES, INC.,

*Plaintiff,*

vs.

ISOTEC INTERNATIONAL, INC.,

*Defendant.*

HONORABLE Kovachvich

CIVIL ACTION NO. 8'08 cv 1991-T17  
TGW

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**COMPLAINT AND JURY DEMAND**

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Plaintiff, TSE Industries, Inc., alleges as follows for its Complaint against Isotec International, Inc.:

**I. THE PARTIES**

1. Plaintiff, TSE Industries, Inc. ("TSE"), is a Florida corporation having its principal place of business at 5260 113<sup>th</sup> Avenue North, Clearwater, Florida 33760.

2. Defendant, Isotec International, Inc. ("Isotec"), is a Georgia corporation having its principal place of business at 201 Longview Street, Canton, Georgia 30114.

**II. JURISDICTION AND VENUE**

3. TSE brings this action under Title 35 of the United States Code and under 28 U.S.C. § 2201, for a declaration of non-infringement, unenforceability and/or invalidity with respect to U.S. Patent No. 6,521,298 issued February 18, 2003 ("the '298 patent"), which defendant asserts to own. TSE also brings a substantial and related claim of unfair competition and subject matter jurisdiction for the state law unfair competition claim under 28 U.S.C. § 1338(b) and 28 U.S.C. § 1367.

4. This Court has subject matter jurisdiction for the federal claim under 28 U.S.C. §§ 1331 and 1338(a), and subject matter jurisdiction for the state law unfair competition claim under 28 U.S.C. § 1338(b) and 28 U.S.C. § 1367.

5. Venue in this judicial district is proper under 28 U.S.C. §§ 1391 and 1400.

### **III. BACKGROUND**

6. The '298 patent discloses and claims a method for applying a polyurethane coating to a thermoformed shell. It has particular application to the making of spa and bath shells.

7. The '298 patent does not claim any composition of matter for use in practicing the claimed method. Exhibit A is a copy of the '298 patent.

8. Plaintiff TSE has been a custom manufacturer of rubber and plastic products and a contract manufacturer of custom specialty chemicals for over 40 years.

9. TSE sells and offers for sale polyurethane products to manufacturers for use in making lighter polyurethane reinforced tub and spa shells.

10. Defendant Isotec also sells polyurethane products to manufacturers for use in making lighter polyurethane reinforced tub and spa shells.

11. Plaintiff TSE is a direct competitor of Isotec in the tub and spa manufacturing trade.

12. Isotec asserts to the spa and tub manufacturing trade that it is the owner of the '298 patent.

13. Isotec has conditioned the use of the claimed method of the '298 patent upon the user's purchase of unpatented polyurethane products from Isotec, *i.e.*, by "tying" a license to (or covenant not to sue for) use of the claimed method of the '298 patent to the purchase of Isotec's unpatented materials.

14. Exhibit B is an Isotec new product announcement stating that the '298 patent "can only be used with Isotec polyurethane products."

15. As a result of Isotec's "tying" actions, potential customers have refused to purchase polyurethane products from TSE for use in making lighter polyurethane reinforced tub and spa shells.

16. Isotec's actions amount to a "Damoclean threat" designed to force customers to purchase Isotec's products while frightening customers into not purchasing products from its competitors such as TSE.

17. The spa and tub manufacturing trade includes numerous small manufacturers, who have limited resources to divert to patent litigation.

18. Isotec's actions force competitors such as TSE to either risk liability for patent infringement or to abandon their otherwise lawful enterprise.

19. The method of the '298 patent was known in the prior art, in the sense of 35 U.S.C. § 102(a).

20. The claimed matter of the '298 patent was anticipated and/or obvious in view of the prior art.

21. For example, the article "Development in Structural Polyurethane Spray Systems" by J.H. Perry and S. Madan, Polyurethanes 92 ("*Perry*") was presented at the Proceedings of the Society of the Plastics Industry's 34th Annual Conference held in New Orleans, Louisiana, on October 21-24, 1992, and is prior art to the '298 patent. A copy of *Perry* is attached as Exhibit C.

22. The claims contained in the '298 patent are *substantially identical* to the prior art in *Perry*, to wit:

- a. *Perry* discloses a method for applying a polyurethane coating to a thermoformed shell, as does the '298 patent.
- b. *Perry* cites the need for polyurethane ("PU") resins to replace polyester resins, as does the '298 patent.
- c. *Perry* describes sprayable polyurethane systems (p. 84, 2d column) having an isocyanate (A) side and resin (B) side, as does the '298 patent.
- d. *Perry* teaches that the isocyanate index is preferably over-indexed (excess of isocyanate) to lower the ability of the cured system to absorb water and increase structural properties (page 88, column 1), as does the '298 patent.
- e. *Perry* discloses one NCO index as 130 (page 88, col. 1), as does the '298 patent.
- f. *Perry* teaches that typical applications include bathtubs and shower stalls (p. 85, 2d column), as does the '298 patent.
- g. *Perry* teaches heating the system components to 140 - 185°F prior to spraying (p. 85, col. 1), and that the substrate is preferably heated to about 104°F (page 84, col. 2), as does the '298 patent.
- h. *Perry* recommends the use of a turntable for large parts (p. 84, col. 2), as does the '298 patent.
- i. *Perry* teaches that the system can be applied over surfaces (gel coats and molded forms) of polyurethane, polyester, and thermoformed thermoplastics (p. 84, col. 2), as does the '298 patent.

j. *Perry* cites acrylic and ABS substrates as examples of such thermoplastics (p. 85, col. 2), as does the '298 patent.

k. *Perry* teaches thin layers (p. 85, col. 1) as well as thicker coatings of 0.2 inch thickness (p. 85, Table 2), as does the '298 patent.

23. Every limitation of each independent claim (claims 1, 9 and 11) of the '298 patent is disclosed in *Perry*.

24. The *Perry* reference teaches supplying a substrate, which may, for example, be ABS or acrylic, rotating the article, and spraying with a two part polyurethane system which includes a polyol and an isocyanate, the isocyanate in excess, onto a heated substrate, as does the '298 patent.

25. Each dependent claim of the '298 patent is disclosed in *Perry*, to wit:

a. Claim 2 requires heating the substrate to a temperature between 95°F and 110°F. *Perry* teaches heating to 104°F.

b. Claim 3 requires an NCO index of 105 to 140 (stoichiometry of 1:1.05 to 1:1.4). *Perry* teaches an isocyanate index of 130 (1.3).

c. Claim 4 requires the substrate to be an acrylic or ABS/acrylic bathtub, shower stall, etc. *Perry* teaches acrylic and ABS substrates, which may be bathtubs or shower stalls.

d. Claim 5 requires rotating the substrate during spraying. *Perry* teaches mounting cumbersome parts on a turntable so they may be rotated during spraying.

e. Claim 6 requires relative rotation between a substrate and a spray head. The use of a turntable as taught by *Perry* provides such relative rotation.

f. Claim 7 requires a layer thickness between 1/16 inch to ½ inch (0.0625 to 0.50 inch). *Perry* discloses 0.2 inch in Table 2.

g. Claim 8 discloses a layer thickness of 1/8 inch (0.125 inch). *Perry* discloses 0.2 inch but also discusses “thin layers.”

h. Claim 10 requires heating a rotating substrate. *Perry* teaches both heating and rotating.

26. The *Perry* reference is known to Isotec.

27. On information and belief, the *Perry* reference was known to Isotec or, through the exercise of reasonable diligence, should have been known by Isotec, at the time Isotec filed its application for the ‘298 patent with the USPTO, yet Isotec failed to disclose *Perry*, as well as other highly relevant prior art, to the USPTO in its patent application.

28. Had Isotec properly disclosed the *Perry* prior art, as well as other relevant prior art, to the USPTO in its application, the ‘298 patent would, in all probability, never have been granted to Isotec.

29. Other prior art that teaches the claimed subject matter of the ‘298 patent includes Bayer’s product brochures on Baytec RE and Baytec SPR spray polyurethane systems copyrighted in 1993 and 1995 and the "ELASTOCAST® 70736R / ELASTOFOAM I 3070T" Product Data Sheet, BASF Corporation, 9/29/1999. The Miles (now Bayer) Baytec RE brochure is attached as Exhibit D. The Bayer Baytec SPR brochure is attached as Exhibit E. The BASF Product Data Sheet is attached as Exhibit F.

30. Despite Isotec's actual knowledge of the relevant prior art rendering its '298 patent dubious at best, Isotec continues to assert the '298 patent in the marketplace by requiring manufacturers of spa and tub shells to purchase polyurethane products from Isotec or face potential infringement claims under the '298 patent.

31. Isotec's actions detailed above demonstrate an intentional and deliberate attempt on its part to use a clearly invalid patent to gain competitive advantage in the national spa and tub marketplace, thereby having a "chilling effect" on legitimate competition within the entire industry.

**IV. COUNT I - DECLARATORY JUDGMENT OF NON-INFRINGEMENT, UNENFORCEABILITY AND INVALIDITY OF U.S. PATENT NO. 6,521,298**

32. TSE restates and realleges the allegations set forth above and incorporates them by reference.

33. TSE does not infringe, and has not infringed, either directly, by inducement or contributorily, any claim of the '298 patent, either literally or under the doctrine of equivalents.

34. The '298 patent is unenforceable due to patent misuse.

35. The '298 patent is invalid under one or more of 35 U.S.C. §§ 102 and/or 103.

36. Isotec and TSE have substantial concrete adverse legal interests which require immediate specific relief through this Court's ability to enter declaratory judgment of non-infringement, unenforceability and/or invalidity.

37. There is an actual controversy between the parties regarding infringement, unenforceability and validity of the '298 patent.



**IV. COUNT II - UNFAIR COMPETITION**

38. TSE restates and realleges the allegations set forth above and incorporates them by reference.

39. Isotec's actions constitute unfair competition.

40. TSE has sustained, or will sustain harm, both pecuniary and irreparable, caused by Isotec's actionable conduct.

**VI. PRAYER FOR RELIEF**

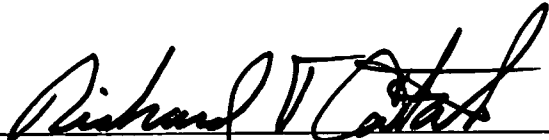
Wherefore, TSE respectfully requests this Court:

- A. Declare that TSE has not infringed, and is not infringing, directly, by inducement or contributorily, U.S. Patent No. 6,521,298;
- B. Declare that the claims of U.S. Patent No. 6,521,298 are unenforceable;
- C. Declare that the claims of U.S. Patent No. 6,521,298 are invalid;
- D. Award TSE its damages arising from Isotec's unfair competition;
- E. Enjoin, preliminarily and permanently, Isotec, its officers, directors, employees, servants, agents and attorneys, and others in active concert or participation who receive actual notice, from asserting infringement of the '298 patent in the manner complained of herein; and
- F. Award TSE such other and further relief as this Court may deem just and proper.

**VII. JURY DEMAND**

TSE demands trial by jury for all issues so triable.

Respectfully submitted,

By: 

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