

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FRANK LICURSI, III and	:	CIVIL ACTION
MILLENIUM HOCKEY,	:	
	:	NO. 98-5262
Plaintiffs,	:	
	:	
v.	:	
	:	
JAMISON PLASTIC CORP. and	:	
MARK SOLDA,	:	
	:	
Defendants.	:	

MEMORANDUM

BUCKWALTER, J.

November 20, 1998

This action for breach of contract and replevin comes before the Court by way of a Notice of Removal from the Court of Common Pleas of Lehigh County, Pennsylvania. For the reasons discussed below, the Court finds that Plaintiffs' claim does not arise under the federal patent statutes, Title 35 of the United States Code, and thus, the Court may not exercise subject matter jurisdiction over this action. Accordingly, Plaintiffs' motion to remand the case to state court is GRANTED.

I. BACKGROUND

Plaintiffs Frank Licursi, III and Millenium Hockey ("Millenium") filed a replevin action in the Court of Common Pleas of Lehigh County, Pennsylvania on September 30, 1998, alleging a breach of an agreement by Defendants Jamison Plastic Corporation ("Jamison") and Mark Solda, and requesting an order for the seizure of certain items. On or about October 20,

1997, the parties entered into an agreement whereby Defendants would manufacture for Plaintiffs a tool and a plastic product made by the tool. See Compl. ¶ 5 (attached as Exhibit A to Pls. Mem.). Over the course of April through May of 1998, Defendants advised Plaintiffs through written correspondence the total fee and balance owed for the production of the tool. See id. ¶¶ 6-7. On or about September 9, 1998, Mr. Licursi personally presented a certified check for the final amount of monies due at the offices of Mr. Solda. See id. ¶ 8. Although the check was refused, the “property” of Plaintiffs was not returned, which was apparently required under the agreement. Id. ¶ 10. On the next day or so, Plaintiffs’ attorney sent a letter containing the certified check to Defendants by certified mail, threatening legal action should Defendants fail to contact Plaintiffs within forty-eight hours. See id. ¶ 11 and Compl. (Exhibit F thereto). A few days later, Mr. Solda advised Plaintiffs’ attorney “that part of the property of the plaintiffs was to be returned, by UPS mail, however; as of [the date of the complaint] this event [had] not yet occurred.” Id. ¶ 12.

Plaintiffs allege that pursuant to the agreement between the parties, “the tool to be produced and the product to be produced was the property of the plaintiff.” Id. ¶ 13. Moreover, Plaintiffs assert that Defendants’ actions did not grant them “any equitable title or any other title regarding the tool and also the product to be produced by the tool,” id. ¶ 14, thus rendering Defendants in breach of the agreement, see id. ¶ 15. Although not entirely clear from the complaint, Defendants’ alleged refusal to return Plaintiffs’ property, apparently implicates a third-party as “the tool and rubber parts [were] produced by another manufacturer.” Id. ¶ 16. In addition, the property in dispute also includes “rubber molded parts” and “tool drawings.” Id. ¶

18. Plaintiffs note that they have applied for a patent on the tool and the product made by the tool, which is currently pending. Id. ¶ 20.

Defendants timely removed this action to federal court on October 2, 1998, alleging that federal statutes governed “in whole or in part” the disposition of the case. Notice of Removal ¶ 1. Specifically, they allege that because “it must be determined whether plaintiffs or defendants were the inventors of a patentable mold,” the federal patent laws are implicated in such a way as to confer on this Court original subject matter jurisdiction pursuant to 28 U.S.C. § 1338(a). Id. ¶ 5. Plaintiffs then filed a Motion for Immediate Hearing and Remand on October 20, which was dismissed by this Court the next day for failing to attach a written statement as to the date and manner of service pursuant to Local Civil Rule 7.1(d). See Licursi v. Jamison Plastic Corp., Civ. A. No. 98-5262 (E.D. Pa. Oct. 21, 1998). Plaintiffs correctly refiled the present motion on October 26, requesting a remand to state court, an evidentiary hearing, and the costs associated with the removal.

II. DISCUSSION

Defendants removed this action under the authority and procedures found in 28 U.S.C. §§ 1441 and 1446. Plaintiffs’ motion is properly before this Court pursuant to 28 U.S.C. § 1447(c), which provides, in relevant part, that “[i]f at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded.”

In ruling on a motion for remand, “the district court must focus on the plaintiff’s complaint at the time the petition for removal was filed . . . [and] must assume as true all factual allegations of the complaint.” Steel Valley Auth. v. Union Switch and Signal Div., 809 F.2d 1006, 1010 (3d Cir. 1987) (citation omitted), cert. dismissed sub nom. American Standard, Inc. v.

Steel Valley Auth., 484 U.S. 1021 (1988); accord Pullman Co. v. Jenkins, 305 U.S. 534, 537 (1939). The burden is on the removing defendant to show the existence and continuance of federal jurisdiction. See Dukes v. U.S. Healthcare, Inc., 57 F.3d 350, 359 (3d Cir.), cert. denied, 516 U.S. 1009 (1995). “The removal statutes ‘are to be strictly construed against removal and all doubts should be resolved in favor of remand.’” Boyer v. Snap-on Tools Corp., 913 F.2d 108, 111 (3d Cir. 1990) (quoting Steel Valley, 809 F.2d at 1010), cert. denied, 498 U.S. 1085 (1991). These principles have developed “[b]ecause lack of jurisdiction would make any decree in the case void and the continuation of the litigation in federal court futile.” Brown v. Francis, 75 F.3d 860, 864 (3d Cir. 1996) (quoting Abels v. State Farm Fire & Cas. Co., 770 F.2d 26, 29 (3d Cir. 1985)). Removal under § 1441(a) “is proper only if the federal district court would have had original jurisdiction if the case was filed in federal court.” Id.

This Court has original subject matter jurisdiction over civil actions arising under federal laws. See 28 U.S.C. § 1331. Generally, under the well-pleaded complaint rule, see generally Louisville & Nashville R.R. Co. v. Mottley, 211 U.S. 149 (1908), a claim is said to “arise under” federal law only where the federal question appears on the face of the well-pleaded complaint, see Dukes, 57 F.3d at 353. Since Plaintiffs’ complaint does not state any federal claims on its face, remand would clearly be proper under the dictates of the well-pleaded complaint rule.

However, Defendants contend that the state court would need to “determine whether Millenium or Jamison was the inventor of a patentable tool (i.e., mold) which is a federal patent law question.” Defs. Mem. at 2. Specifically, they argue that “were the state court to make a determination as to who has property rights to the tool, it would also be asked to

consider and decide who has patent rights, if any.” Id. According to Defendants, the parties have contrary positions on this issue: Defendant Jamison Plastic Corporation has apparently “begun the patent process and will be seeking to patent the second tool it created, and it believes it has the right to patent this tool,” while Plaintiffs have indicated in the complaint that their patent is currently pending. Id. Consequently, Defendants argue that, pursuant to this Court’s original and exclusive jurisdiction over patent cases in 28 U.S.C. § 1338(a), this action was properly removed to federal court. See id. The Court agrees with Defendants that “the issue of patent rights of the parties to the tool are intertwined with any rights to replevin that Millenium claims,” id. at 3, but reaches a different conclusion concerning its continued exercise of subject matter jurisdiction over the action.

For a case to “arise under” the federal patent laws, “the plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction or these laws.” Christianson v. Colt Indus. Operating Corp., 486 U.S. 800, 807-08 (1988) (quoting Pratt v. Paris Gas Light & Coke Co., 168 U.S. 255, 259 (1897)). Thus, § 1338(a) jurisdiction only extends “to those cases in which a well-pleaded complaint establishes either that federal patent law creates the cause of action or that the plaintiff’s right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims.” Id. at 809. However, if ““on the face of a well-pleaded complaint there are . . . reasons completely unrelated to the provisions and purposes of [the patent laws] why the [plaintiff] may or may not be entitled to the relief it seeks,” then the claim does not ‘arise under’

those laws.” Id. at 810 (quoting Franchise Tax Bd. of Cal. v. Construction Laborers Vacation Trust, 463 U.S. 1, 26 (1983)) (alteration in original).

It is well settled that an action based on a contract, which involves underlying patent rights, does not arise under the patent law. See Beghin-Say Int’l, Inc. v. Ole-Bendt Rasmussen, 733 F.2d 1568, 1570-71 (Fed. Cir. 1984). In Beghin-Say, a written contract allegedly assigned patent rights from one party to another, thereby creating a dispute when both parties filed patent applications before the Patent and Trademark Office. See id. at 1569-70. The Federal Circuit analyzed that action as one sounding exclusively in contract because, absent those contracts, the plaintiff “would have no claim whatever to ownership in the patent applications in dispute or otherwise.” Id. at 1570. The court stated: “That the involved contracts may or may not constitute agreements to assign future patent applications does not convert a contract dispute cognizable in state courts to a federal question appropriate for determination in a federal court.” Id. at 1571.

Defendants paint with too broad a brush in asserting that the state court, in deciding which party should physically retain possession of the property at issue, would necessarily resolve a substantial question of federal patent law. To be sure, the analysis the state court undertakes to reach that holding may very well involve the resolution of factual disputes concerning the originator of the mold. This might imply that some reference to the federal patent laws may be necessary.

However, the precise conclusion reached by the state court will determine only who is legally entitled to possess certain items of personal property. As the Federal Circuit has repeatedly stated, “the mere presence of a patent issue cannot of itself create a cause of action

arising under the patent laws. . . . That a contract action may involve a determination of the true inventor does not convert that action into one ‘arising under’ the patent laws.” Consolidated World Housewares, Inc. v. Finkle, 831 F.2d 261, 265 (Fed. Cir. 1987). The Court of Common Pleas is free to look for guidance to the law on inventorship as federal patent jurisprudence has explained it, but “[b]ecause a court will look to federal law, however, does not confer federal jurisdiction.” American Tel. and Tel. Co. v. Integrated Network Corp., 972 F.2d 1321, 1325 (Fed. Cir. 1992).

Finally, while “[a]t the heart of any ownership analysis lies the question of who first invented the subject matter at issue,” MCV, Inc. v. King-Seeley Thermos Co., 870 F.2d 1568, 1570 (Fed. Cir. 1989), the provision in the federal patent law concerning co-inventorship disputes, 35 U.S.C. § 256, is inapposite to the instant situation. That provision “explicitly authorizes judicial resolution of co-inventorship contests over issued patents.” Id. at 1570 (emphasis added). Here, both patent applications are currently pending and thus, a cause of action arising under this provision is premature.

III. CONCLUSION

For the foregoing reasons, Plaintiffs’ motion is GRANTED and the case is remanded to the Court of Common Pleas of Lehigh County, Pennsylvania. Plaintiffs have also asked for a hearing on their motion, as well as reimbursement for the costs associated with the removal. In light of the analysis above, the Court deems a hearing on this matter unnecessary. The Court will deny the request for costs as well.

An appropriate order follows.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FRANK LICURSI, III and	:	CIVIL ACTION
MILLENIUM HOCKEY,	:	
	:	NO. 98-5262
Plaintiffs,	:	
	:	
v.	:	
	:	
JAMISON PLASTIC CORP. and	:	
MARK SOLDA,	:	
	:	
Defendants.	:	

ORDER

AND NOW, this 20th day of November 1998, upon consideration of Plaintiffs' Motion for Immediate Hearing and Motion to Remand (Docket No. 5) and Defendants' response thereto (Docket Nos. 6 and 7), it is hereby ORDERED that Plaintiffs' motion is GRANTED, in accordance with the accompanying memorandum. The request for an evidentiary hearing and the costs associated with the removal are DENIED.

The Clerk of Court shall return this case to the Court of Common Pleas of Lehigh County, Pennsylvania.

This case shall be marked **CLOSED**.

BY THE COURT:

RONALD L. BUCKWALTER, J.