

2021-1702

United States Court of Appeals
for the Federal Circuit

PETER SGROMO, aka Pietro Pasquale-Antonio Sgromo

Plaintiff-Appellant,

v.

TARGET BRANDS INC.,

Defendant-Appellee.

*On Appeal from the United States District Court for the
District of Minnesota in Case No. 0:20-cv-01030-JRT-LIB
The Honorable John R. Tunheim, District Court Judge*

**APPELLANT– PIETRO PASQUALE ANTONIO SGROMO –
A/K/A PETER ANTHONY SGROMO'S PETITION FOR
REHEARING AND FOR REHEARING EN BANC**

CERTIFICATE OF INTEREST

In accordance with FEDERAL CIRCUIT RULE 47.4 and Federal Rule of Appellate Procedure 26.1(a)— *Pro-per* Appellant, PIETRO PASQUALE ANTONIO SGROMO (a/k/a PETER ANTHONY SGROMO) discloses herein "any party, intervenor, amicus curiae, or movant represented in the case by the counsel filing the certificate of interest."

1. **PIETRO PASQUALE ANTONIO SGROMO (a/k/a PETER ANTHONY SGROMO— *Pro-per***

A handwritten signature in blue ink, appearing to read "Pietro Sgromo", is positioned below the list item.

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STATEMENT OF PRO—PER APPELLANT

Based on my professional judgment¹, I believe the panel decision is contrary to the following decision(s) of the Supreme Court of the United States or the precedents of this court and presents questions of exceptional importance:

[1]. The Supreme Court has carefully avoided the danger posed by a too rigid application of the discretionary rule of comity in patent matters. *Mast, Foos Co. v. Stover Mfg. Co.*, 177 U.S. 485, 488 (1900);

[2]. This decision "conducted by the PTAB, is a final decision of an inferior officer, without supervision or control or review by a principal officer of the agency [and a]s the PTO [] states, "the Board decides whether to institute proceedings"" at all. *Mobility Workx, LLC v. United States, LLC*, 2020-1441, (Fed. Cir. Oct. 13, 2021);

[3]. This Court has repeatedly held that "[i]n order to adjudicate [Sgrom]o's appeal on the standing issue, [it] must trace the chain of title to the patent." *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1092 (Fed. Cir. 1998);

[4]. "In the context of an assignment of a patent, [the parties] can agree verbally until the cows come home, and that patent isn't assigned until there's a writing." *U.S. v. Solomon*, 825 F.2d 1292, 1296 (9th Cir. 1987). The rules governing the transfer and assignment of patent rights clearly envision a scheme of written assignment by providing that patents "shall be assignable in law by an instrument in writing." 35 U.S.C. § 261;

¹ My "professional judgement" is supported by my educational background (B. Comm. – dual major Exonomics & Marketing– with a dual minor in Organizational Behavior & Finance; supplemented with an MBA) and three decades of Global Experience in licensing intellectual property both as a licensee, licensor with companies like P&G, Crayola, Levi Struass & Co., Wham–O Toys and as an independent inventor.

[5]. It is established that *nunc pro tunc* assignments are not sufficient to confer retroactive standing (*Gaia Technologies, Inc. v. Reconversion Technologies, Inc.*, 93 F.3d 774, 780 (Fed. Cir. 1996))— especially where no written transfer of rights under patent had been made at the time claims were brought (*Enzo*, at 1093).

[6]. "If the party has not received an express or implied promise of exclusivity under the patent, i.e., the right to exclude others from making, using, or selling the patented invention, the party has a 'bare license.'" *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1552 (Fed.Cir.1995) (en banc);

[7]. The recording of an assignment with the PTO is not a determination as to the validity of the assignment . See 37 C.F.R. § 3.54— but it creates a presumption of validity as to the assignment and places the burden to rebut such a showing on one challenging the assignment. *SiRF Technology, Inc. v. International Trade Commission*, 601 F.3d 1319, 1327-28 (Fed. Cir. 2010).



.....
PIETRO PASQUALE ANTONIO SGROMO
(a/k/a PETER ANTHONY SGROMO— *Pro-per*)

ARGUMENT

A. THE SUPREME COURT HAS AVOIDED TOO RIGID APPLICATION OF THE DISCRETIONARY RULE OF COMITY IN PATENT MATTERS

In *Mast, Foos Co. v. Stover Mfg. Co.*, the Supreme Court has carefully avoided the danger posed by a too rigid application of the discretionary rule of comity in patent matters. As the court explained "[i]f it were, the indiscreet action of one court might become a precedent, increasing in weight with each successive adjudication, until the whole country was tied down to an unsound principle." 177 U.S. 485, 488 (1900). Notwithstanding, permitting repeated litigation of the same issue as long as the supply of unrelated defendants holds out reflects either the aura of the gaming table or "a lack of discipline and of disinterestedness on the part of the lower courts, hardly a worthy or wise basis for fashioning rules of procedure." *Kerotest Mfg. Co. v. C-O-Two Co.*, 342 U.S. 180, 185 (1952).

In the present case, the result of the settlement agreements voluntarily entered into between Appellant and the Imperial, Bestway and Eureka parties (the "Licensees") renders them, and in turn Target estopped from challenging the validity of the H2O–GO! marks and copyrights; and the '440, '243, '422 and '298 Patents. *Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1370 (Fed. Cir. 2001). "The first case, *Eureka Inventions, LLC v. Bestway (USA), Inc.*, No. 4:15–cv–00701–JSW" resulted in a settlement agreement to which Sgromo was *not* a party. But in that case— Scott

acknowledged in his sworn declaration dated October 2, 2015 that— "Mr. Sgromo has asserted that he is the owner of the intellectual property rights underlying the licenses in this case" (see Case No.: 21–1106, *Sgromo v. Scott*, (pending before this court), DKT No.: 14–4, p.29, ¶3) and rather than file a counter–action naming Sgromo— on or about November 9, 2015— before the court entered into a stipulation to dismiss the case where Bestway and Eureka dismissed their claims against each other "with prejudice." [Id., pp.32–4, ¶1–2]. Additionally, Bestway and Eureka released each other from "any claims that in any way relate to, arise from, or are in any manner connected to the Subject [Eureka–Bestway] Licenses . . . and the parties expressly waive[d] all rights under § 1542 of Cal Civ Code. (Id., pp.41–2, ¶¶11(a)(b)). "[S]uch a dismissal with prejudice and accompanying settlement agreement certainly gives rise to contractual estoppel of "unrelated defendants" like Target challenge to the '298 patent; the '440 patent; and the H2O–GO! mark's validity. *Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1366 (Fed. Cir. 2001)

Equally, Respondents are estopped from challenging the '243 & '422 Patents because Imperial breached a "material provision of the [12–04–09] Agreement" (DKT No.: 5–2, pp.103–14¹) because Imperial promised it "shall introduce the Licensed Products on or before February, 2010 at the Toy Industry Association's

¹ Unless otherwise stated, references to DKT No.'s will refer to the present case and page no.'s ("pp.") shall refer to ecf pages – unless otherwise stated.

Toy Fair in New York, NY" (Id., §12(f))— and failed to do so. Sgromo proceeded to build a relationship with Toys R US to mitigate his damages but Imperial threatened legal action. The parties settled their dispute vis-à-vis a second, more narrow Agreement (Id., pp.127–39). Nothing in the original agreement or the settlement license agreement is tantamount to anything more than a “bare license.”

B. THE PANEL DISREGARDED THE PRECEDENTIAL STANDARD – THE COURT REVIEWS QUESTIONS OF STANDING DE NOVO— REVIEWING ANY RELEVANT FINDINGS

This Court has repeatedly held that "[i]n order to adjudicate [Sgrom]o's appeal on the standing issue, [it] must trace the chain of title to the patent." *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1092 (Fed. Cir. 1998). Because this court follows the oft-stated "general rule — that rights in an invention belong to the inventor. *Omni Medsci, Inc. v. Apple Inc.*, 2020-1715, at *1 (Fed. Cir. Aug. 2, 2021). "In most circumstances, an inventor must expressly grant his rights in an invention to his employer if the employer is to obtain those rights." *Bd. Of Trustees of Leland Stanford Jr. Univ. v. Roche Mol. Sys., Inc.*, 563 U.S. 776, 786 (2011). "Indeed, on the merits, this is an easy question— [this court] review[s] *de novo* the district court's determination of a party's standing , while reviewing any factual findings relevant to that determination for clear error. *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1377 (Fed.Cir.2007).

I. THE '440 PATENT

On May 16, 2006 the USPTO granted U.S. Patent No.: 7,046,440 entitled 3-D Vision System for Swimming Pools to inventor, Jeffrey L. Kaehr. DKT No.: 5-2, pp.87-94. On or about December 2010, Sgromo's British Columbia Canada Corporation— Wide Eyes Marketing Ltd. ("WEM") acquired the entire right, title and interest in and to the invention without limitation the Patent and all rights thereto in the '440 Patent. Id., pp.83-6. On or about December 2012, WEM successfully defended the validity and ownership of the '440 Patent in Case No.: cv-11-03046, *AquaWood LLC v. WEM, Sgromo*, (C. D.Cal.) [2013]. Id., p.95. On or about April 1, 2020, Sgromo as an individual "acquire[d] the entire right, title and interest in and to the '440 Inventions, including without limitation the '440 Patent and all rights appurtenant thereto— including the right to sue for past and ongoing infringement . . . in consideration for the incomplete payment of Assignee's consulting services relating to the Assignor's License of the '440 Patent to various third-parties." Id., pp.96-7.

II. THE '243 & '422 PATENTS

On or about October 6, 2009 Sgromo filed a provisional patent which was granted by the USPTO on June 30, 2015— U.S. Patent No.: 9,069,243 entitled "System and Method for Generating a Three-Dimensional Image on a Pre-Printed Lined Substrate" (the "'243 Patent"). Id., p.99. On or about March 2009, Sgromo

invented a system to produce holographic images in a bubble when viewed through holographic stereoscopic glasses. [Appx047–48]. On or about October 6, 2009 Sgromo filed a provisional patent for the invention which would be granted by the USPTO on February 18, 2014— U.S. Patent No.: 8,654,422 entitled "Holographic Bubble Generating System." Id., pp.101–02.

III. THE '298 PATENT

On or about January 2006, Sgromo and colleague and co-inventor Robert W. "Bob" Ranftl ("Ranftl") invented a ramped children's backyard water slide. Id., pp.176–79. On or about July 14, 2015 Sgromo and Ranftl filed a patent which would be granted by the USPTO on December 6, 2016— U.S. Patent No.: 9,511,298 entitled " Water Slide." Id., pp.180–93.

IV. THE H2O–GO! MARKS

On or about January 2014, Sgromo invented the H2O-GO! brand trademark— including trade dress. Id., pp.201–05.

Target's argument hinges on the absence of a written instrument transferring to the Licensees what it contends was the virtual assignment from Sgromo as in individual. *Speedplay, Inc. v. Bebop, Inc.*, 211 F.3d 1245, 1250 (Fed.Cir.2000). Licenses may be oral." *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1552 (Fed.Cir.1995) (en banc) (holding that to be an exclusive licensee a party may rely on either an express or implied promise of exclusivity). In any event, as the following

arguments shall prove—there was no assignments of any intellectual property to anyone other than the lawful assignment of the '440 Patent from WEM to Sgromo.

Everything else is nothing more than a "bare license."

**C. THE PANEL DISREGARDED THE RULE THAT PATENT ASSIGNMENTS
"SHALL BE ASSIGNABLE – BY AN INSTRUMENT IN WRITING"**

"In the context of an assignment of a patent, [the parties] can agree verbally until the cows come home, and that patent isn't assigned until there's a writing." *U.S. v. Solomon*, 825 F.2d 1292, 1296 (9th Cir. 1987). The rules governing the transfer and assignment of patent rights clearly envision a scheme of written assignment by providing that patents "shall be assignable in law by an instrument in writing." 35 U.S.C. § 261; see also *Solomon*, at 1296.. Not even will "common corporate structure . . . overcome the requirement that even between a parent and a subsidiary, an appropriate written assignment is necessary to transfer legal title from one to the other." *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1366 (Fed. Cir. 2010).

The district court's ruling that the "assignment agreement of the **'440 Patent** to Scott . . . states that all of the Assignor's right, title, and interest in and to the patent. . . ." (R&ROrder, pp9–10);— is based on the erroneous conclusion of law that no written agreement between a "plaintiff–inventor in which he was the sole shareholder and managing director prior is sufficient." *Lans v. Digital Equipment*

Corp, 252 F.3d 1320, 1328 (Fed. Cir. 2001), (holding that even "a letter sent by the inventor of the patent in suit and the sole shareholder and managing director of the assignee company, was nevertheless insufficient to create notice because it was not sent by the patent owner."). WEM assigned the entire rights to the patent including rights to sue for past infringement to Sgromo on April 1, 2020. See DKT No.: 5–2, pp.96–7.

However, this cannot be drawn from the arbitration agreement – the Living Together Agreement ("LTA") between Sgromo and Scott expressly states Sgromo "conducts business from home . . . and Greg [Scott] acknowledges that this does not give ownership rights of any kind in Wide Eyes Marketing or any other LLC Pete[r Sgromo] owns." DKT No.: 5–2, p.286, §2. "Neither will have any claim to the separate property of the other absent a written agreement transferring ownership" (Ibid., §1)— "[n]either shall be liable or responsible for the individual debts uncured by the other in his own or company name" (Ibid., §3) and the LTA "constitutes the entire Agreement between the parties and may be modified only in writing signed by all parties" (Ibid., p.288, §39). Therefore it is irrelevant that the *purported* assignment of the '440 Patent does not meet the prima facie evidence of a signed transfer, because it is electronically signed "/Peter A. Sgromo/ President, Wide Eyes

Marketing, Ltd."— WEM is neither a party to the LTA nor an *alter ego* of Sgromo. Id., pp.58–60.

That "[t]he Magistrate Judge correctly concluded that Sgromo lacks standing to assert the '**422** [**& '243**] Patent[s]" is based on the magistrate 's erroneous conclusion of law in *Sgromo v. Imperial Toy LLC*, 2019 WL 4394565, at *2 (E.D. Tex. Sept. 13, 2019); J.A. 21–22; S.A. 76, 101)— that "[t]he reason [debtor] is owner of the patents is because they received a worldwide exclusive license to the patents in those license agreements. Mr. Sgromo is a signatory to those license agreements that are attached to his filing, personally, on his own behalf, as an inventor." Id., pp.166–68. It is only Target that later claimed the *purported* "assignments – were relevant, later, signed"— therefore "the assignment[s] superseded the nondisclosure and consulting agreements" making them "irrelevant." R&ROrder, p.11. Respectfully, this is simply absurd because the *purported* assignments are dated Oct. 7, 2010 and the consulting Agreement was ratified four (4) months later on Feb. 12, 2011 (compare DKT No.: 5–2, p.141 vs. Id., pp.143,52). To follow this logic in place of an *integration clause* does not serve the Appellees whatsoever.

D. THE PANEL DISREGARDED THE PRECEDENTIAL STANDARD THAT NUNC PRO TUNC ASSIGNMENTS ARE INSUFFICIENT TO CONFER RETROACTIVE STANDING.

It is established that *nunc pro tunc* assignments are not sufficient to confer retroactive standing (*Gaia Technologies, Inc. v. Reconversion Technologies, Inc.*, 93 F.3d 774, 780 (Fed. Cir. 1996))— especially where no written transfer of rights under patent had been made at the time claims were brought (*Enzo*, at 1093). This is fatal to Target's defence because all *purported* patent assignments are *nunc pro tunc* assignments.

The *purported* '243 & '422 Assignments state that "Assignor – Peter Sgromo acknowledges an obligation of assignment of this invention to Assignee at the time the invention was made" (DKT No.: 5–2, pp.143,52) but the only Agreements that existed at any time remotely close to the inventions are the Sgromo NDA (Id., p.98) and the WEM MOU (Id., pp.155–58) and neither assigned any rights whatsoever.

Equally, the *purported* '298 Patent and H2O–GO! marks "Assignment" . . . depicted in the June 17, 2014 Agreement between the parties" (Id., p.81) abandons this settled rule. However Target conveniently omits the June 17, 2014 "Waterslide Agreement" from their submissions— nonetheless, the Panel cited *Bestway (USA), Inc. et al. v. Sgromo et al.*, No. 17–CV–205, Dkt. No. 148 (N.D. Cal. Apr. 18, 2019) and that agreement can be found at DKT No.: 16–10 of that action. The Agreement dated June 17, 2014 is between Eureka Inventions LLC and Bestway and does not

grant anything more than a bare license and this license agreement was "merged" vis-à-vis the integration clause in the parties' settlement agreement (DKT No.: 5–2, p.233, §16(b)) and unambiguously in "this Agreement, Eureka and Bestway release[d] each other [*inter alia*] from all . . . claims, or demands of every nature whatsoever, in law or equity or arbitration, whether based on contract, tort, statutory or other legal or equitable theory of recovery, whether known or unknown, asserted or unasserted, which one may have against the other arising at any time prior to the Effective Date, including all claims that in any way relate to, arise from, or are in any manner connected to the Subject Licenses . . . and the parties expressly waive all rights under Cal Civ Code § 1542" (Id., pp.230–31, §§11(a)(b)). The "June 2014, license agreement" is unambiguously defined as the "Slide License" (Id., p.224, 3rd recit.) and the Eureka '440 License and the Slide License are "collectively" referred to as "the "Subject Licenses" (Id., p.226, §3). Under an abundance of caution Sgromo signed the exact release (see DKT No.: 5–2, p.241, §§8(a)(b)); see also district court's DKT No.: 69, pp.22–3, §§11(a)(b); see also Case No.: 21–1106–LM, DKT No.: 14–4, pp.41–2, §§11(a)(b). No more precise words in the English language could have been employed to mutually terminate and rescind the "Subject Licenses" and any relationship whether explicit or implied (cf. Civ. Code, §§ 13; 1541; see also *Larsen v. Johannes*, 7 Cal. App. 3d 491, 499 (Cal. Ct. App. 1970))—

and the parties thereto were discharged and released. (Rest., Contracts § 402, subd. (1).)

E. THE PANEL DISREGARDED THE PRECEDENTIAL STANDARD THAT WITHOUT THE RIGHT TO EXCLUDE OTHERS THE LICENSEE MERELY HAS A BARE LICENSE

"If the party has not received an express or implied promise of exclusivity under the patent, i.e., the right to exclude others from making, using, or selling the patented invention, the party has a 'bare license.'" *Rite-Hite Corp*, at 1552; see also *Shades v. Suncare*, 914 F. Supp. 2d 339 (E.D.N.Y. 2012) (holding that licensee had an exclusive license without all substantial rights); *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1093 (Fed. Cir. 1998) (holding that "a license may be written, verbal, or implied, if the license is to be considered a virtual assignment to assert standing, it must be in writing").

Firstly, Sgromo on behalf of WEM merely gave Scott a verbal license— the '440 Patent is currently before this court in 21–1106, *Sgromo v. Scott*, (see Appx84–94 – Decl. of Scott) Scott admits to a verbal license where the attorney suggested they "put the ['440'] Patent in Greg[Scott]'s name and [Scott] can do an exclusive license to the llc — that arrangement would be better because of a "lower tax rate" and Mr. Sgromo replied, "No. Let's just go with paying me a royalty" . . ." *Id.*, ¶11. WEM had collaterally granted at least three (3) other non-exclusive licenses to the

'440 Patent— (1) Imperial Toy LLC [DKT No.: 5–2, p.114 – "Outdoor sprinklers, Water [Toys]" & "Chromadepth/Anaglyph [3–D]"]; Bestway [20–cv–1030 DKT No.: 22–16, pp.24–26 – "Licensed Rights" – right to practice US Patent 7,046,440 – in connection with above ground swimming pools" only [vs. say inflatable pools, or water slides] Id., §3]; Manley Toys – "exception" to Bestway's rights– "the 3D Shark Lagoon [Inflatable] Pool by Manley"] Ibid., §14. It is impossible to understand how any licensee had anything more than a 'bare license'.

The district court then opined the purported '**243 & '422 Patent** Assignments "are superseded by the later, signed, assignment of the '422 [& '243] Patent[s] – [and] the nondisclosure and consulting agreements are irrelevant to ownership from Sgromo to Imperial." R&ROrder, p.11. But– "[w]hether a transfer of a particular right or interest under a patent is an assignment or a license does not depend upon the name by which it calls itself, but upon the legal effect of its provisions. *Vaupel Textilmaschinen KG v. Meccanica Euro Italia S.P.A.*, 944 F.2d 870, 875 (Fed. Cir. 1991)" [internal citations omitted].

Both the district court and the Panel's ruling violates this tenet when it ruled that— "Sgromo's complaint for infringement of the '422 [& '243] patent[s] for lack of standing" (citing See *Sgromo v. Imperial Toy LLC*, 2019 WL 4394565, at *2 (E.D.

Tex. Sept. 13, 2019)) and that "the bankruptcy court overruled Sgromo's objection and approved the sale of the '422 [& '243] patent[s] free and clear of any claim by Sgromo" (citing J.A. 21–22; S.A. 76, 101)). However the reviewing court flatly rejected this notion and simply found— Mr. Sgromo is not a party to the Wide Eyes Licensing Agreements; Wide Eyes, a separate corporate entity, is the Debtor's counterparty" and "Sgromo has said nothing to contest or otherwise cast doubt upon this fact" (DKT No.: 5–2, p.176) and Debtor "raises several arguments in opposition to Mr. Sgromo's appeal, including that Mr. Sgromo lacks standing to bring this appeal [citation] . . . th[e] Court agrees that Mr. Sgromo lacks standing . . . in connection with the Wide Eyes Licenses, the Court's analysis begins and ends there" (Id., p.173). It is hard to imagine how Sgromo as an individual is bound by the WEM Agreements but cannot exercise any rights under them. Therefore, it is irrelevant that the license agreements were non-exclusive (rights to the '422 Patent– "Holographic" is limited to "Battery, Dip'n Blow" Bubbles – excluding for e.g. electric and mechanical pump (neither electrically or battery charged). Id., p.139.

"[A]s to **the '298 Patent and the H2O-GO trademarks**" the district court opined— "the only documentation of Sgromo's purported current rights to the "298 Patent and H2O-GO! trademarks are the legally inoperative receipts from USPTO." R&ROrder, p.11. This is factually incorrect. Appellant and Bestway have a

settlement agreement (DKT No.: 5–2, pp.235–45) which incorporates by reference six (6) license agreements that cover the H2O-GO! marks and the '440 and '298 Patents (Id., pp.246–63)— which were ultimately terminated by Bestway (Id., pp.264–65)— and "[u]pon termination of th[o]s[e] Agreement[s], the License[s] and all other rights granted to Bestway under th[e] Agreement [s] shall immediately terminate." Id., p.248, §3.04(a). The rights granted were "worldwide rights (including, without limitation, all patent, trade secret, copyright, trademark, know-how, and other proprietary and intellectual property rights) . . . which is the subject of any patents to issue. . . packaging, commercials, displays, trademarks and copyrights (the "Merchandising Rights")." Id., p.248, §§2.01–02.

CONCLUSION

The recording of an assignment with the PTO is not a determination as to the validity of the assignment . See 37 C.F.R. § 3.54— but it creates a presumption of validity as to the assignment and places the burden to rebut such a showing on one challenging the assignment. *SiRF Technology, Inc. v. International Trade Commission*, 601 F.3d 1319, 1327-28 (Fed. Cir. 2010). *Mobility Workx, LLC v. United States, LLC*, 2020–1441, (Fed. Cir. Oct. 13, 2021) is directly on point. Under the Federal Rules of Evidence, "[t]he court may judicially notice a fact that is not subject to reasonable dispute because it: . . . can be accurately and readily determined

from sources whose accuracy cannot reasonably be questioned." Fed.R.Evid. 201(b). Judicial notice may be taken at any stage of a proceeding, including on appeal. Fed.R.Evid. 201(d)." *Id.*, at *1; see also *Kaempe v. Myers*, 367 F.3d 958, 965 (D.C. Cir. 2004) (determining that USPTO documents were "public records subject to judicial notice").

The Appellant commenced a PTO review and based on the Agreements and Fed Cir Law the PTO issued a certification that all the intellectual property contained herein belongs to the Appellant. See DKT No.: 12. And as the *Mobility* Court ruled in citing §314(a),(b)— the Director decides whether to institute proceedings in the first place— "[t]he determination by the Director whether to institute an *inter partes* review under this section shall be final and non–appealable." *Id.*, citing 35 U.S.C. §314(d). *Id.*, at *1. "[t]he authorities to determine whether to institute a trial and conduct a trial have been delegated to a Board member or employee acting with the authority of the Board" citing *Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents*, 77 Fed.Reg. 48612-01 (Aug. 14, 2012, at 48647)]. This decision "conducted by the PTAB, is a final decision of an inferior officer, without supervision or control or review by a principal officer of the agency [and a]s the PTO [] states, "the Board decides whether to institute proceedings"" at all. [emphasis added] *Mobility*, at *1. In fact, "[t]he PTAB's institution decision, . . .

"whether for or against post-issuance review, binds the parties and is not appealable to the Director or to *any* court." *Ibid.* Quite simply, the PTO determined all intellectual property rights belong to Sgromo.

RESPECTFULLY SUBMITTED THIS 5TH DAY OF NOVEMBER, 2021



PRO— PER — P.P.A.SGROMO

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on October 15, 2021

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

Dated: November 5, 2021

/s/ P.P.A. Sgromo

Pro per– P.P.A. SGROMO

CERTIFICATE OF COMPLIANCE WITH RULE 32(a)

This brief contains fewer than 5,700 words, excluding the parts of the brief exempted by Fed. R. App. Pro. 32(a)(7)(B)(i).

This brief complies with the typeface requirements of Fed. R. App. Pro. 32(a)(5) and the type style requirements of Fed. R. App. Pro. 32(a)(6) because it has been prepared in a proportionally spaced typeface using Microsoft Word in 14-point Times New Roman.

/s/ P.P.A. Sgromo

Pietro Pasquale Antonio (Peter Anthony) Sgromo

Pro-per Appellant

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

**PETER SGROMO, AKA PIETRO PASQUALE-
ANTONIO SGROMO,**
Plaintiff-Appellant

v.

TARGET BRANDS INC.,
Defendant-Appellee

2021-1702

Appeal from the United States District Court for the
District of Minnesota in No. 0:20-cv-01030-JRT-LIB, Judge
John R. Tunheim.

Decided: October 6, 2021

PETER SGROMO, Thunder Bay, Ontario, Canada, pro se.

JOHN S. ARTZ, Dickinson Wright PLLC, Ann Arbor, MI,
for defendant-appellee. Also represented by STEVEN A.
CALOIARO, Reno, NV; JAMES J. LUKAS, JR., Greenberg Trau-
rig, P.A, Chicago, IL.

Before LOURIE, O'MALLEY, and CHEN, *Circuit Judges*.

PER CURIAM.

Pietro Pasquale Antonio Sgromo appeals from a decision of the United States District Court for the District of Minnesota granting Target Brands, Inc.’s (“Target”) motion to dismiss for lack of jurisdiction and denying Sgromo’s motion for a preliminary injunction. *See Sgromo v. Target Brands, Inc.*, No. CV 20-1030, 2021 WL 632496 (D. Minn. Feb. 18, 2021). We *affirm*.

BACKGROUND

Sgromo alleges that he owns U.S. Patents 7,046,440 (“the ’440 patent”), 8,654,422 (“the ’422 patent”), and 9,511,298 (“the ’298 patent”), and the H2O-GO! trademarks. These patents and trademarks relate to pool decorations and structures, but their subject matter is not relevant here. The present action is not Sgromo’s first attempt at asserting infringement of these patents and trademarks, and other courts have found that Sgromo does not own any of these patents or trademarks. For context regarding the present action, we briefly summarize the prior court decisions.

In April 2019, the District Court for the Northern District of California, in a suit brought in that court, found that Leonard Scott, not Sgromo, was the rightful owner of the ’440 patent and enjoined Sgromo from filing any claim in federal or state court pertaining to royalty payments arising from use of this patent. *See Bestway (USA), Inc. et al. v. Sgromo et al.*, No. 17-CV-205, Dkt. No. 148 (N.D. Cal. Apr. 18, 2019); S.A. 53–54.¹ In September 2019, the District Court for the Eastern District of Texas dismissed Sgromo’s complaint in that court for infringement of the ’440 patent for lack of standing because Sgromo had not shown a written transfer of all substantial rights of the ’440

¹ “S.A.” refers to the Supplemental Appendix filed with Target’s brief.

patent to himself and because other district court proceedings had already concluded that he was not the owner of the '440 patent. *See Sgromo v. Bestway Enter. Co. Ltd.*, No. 19-CV-60, 2019 WL 4686719, at *3 (E.D. Tex. Aug. 29, 2019), *R. & R. adopted*, 2019 WL 4673756, at *1 (E.D. Tex. Sept. 25, 2019).

In 2019, the Northern District of California and Eastern District of Texas courts found that Sgromo failed to demonstrate ownership of the '298 patent. *See Sgromo*, 2019 WL 4686719, at *4–5; J.A. 7.

In September 2019, the Eastern District of Texas court dismissed Sgromo's complaint for infringement of the '422 patent for lack of standing because Imperial Toy, LLC ("Imperial Toy") was assigned the rights to the '422 patent. *See Sgromo v. Imperial Toy LLC*, 2019 WL 4394565, at *2 (E.D. Tex. Sept. 13, 2019). In November 2019, Imperial Toy filed for bankruptcy, and despite Sgromo asserting that he was the rightful owner of the '422 patent, the bankruptcy court overruled Sgromo's objection and approved the sale of the '422 patent free and clear of any claim by Sgromo. J.A. 21–22; S.A. 76, 101.

Finally, the Eastern District of Texas court found that Sgromo did not show that he was the owner of the H2O-GO! trademarks. *See Sgromo*, 2019 WL 4686719, at *5–6.

Thus, other tribunals had determined that Sgromo lacked ownership of the patents and trademark sufficient to bring suit on them.

In the present case Sgromo sued Target in the United States District Court for the District of Minnesota for infringement of the '440, '422, and '298 patents, and the H2O-GO! trademarks. J.A. 3–4. Sgromo alleged that Wide Eyes Marketing, Ltd. ("WEM"), a company owned and operated by Sgromo, acquired ownership of the '440 patent on December 10, 2010. J.A. 4. In May 2013, WEM granted a non-exclusive license to Bestway (Hong Kong)

International Ltd. and Bestway (USA), Inc. (collectively, “Bestway”). *Id.* Bestway then terminated the license in March 2017. *Id.* As a result, Sgromo claimed that the ’440 patent exclusively reverted to WEM. *Id.* In April 2020, Sgromo filed a purported assignment from WEM to himself in the U.S. Patent and Trademark Office (“USPTO”). S.A. 244–48.

Regarding the ’422 patent, Sgromo alleged that he licensed this patent to Imperial Toy but that the license terminated due to non-payment of royalties and all rights in the ’422 patent reverted to him. J.A. 4–5. In March 2020, Sgromo filed a “corrective assignment” which he claimed showed that the rights in the ’422 patent reverted to him. J.A. 30. As for the ’298 patent, Sgromo claimed that he licensed the patent to Bestway in 2013, Bestway terminated the license in 2017, and all rights reverted to him. *Id.* And, regarding the H2O-GO! trademarks, Sgromo alleged that he granted a non-exclusive license to the trademarks to Bestway, but Bestway terminated the agreement in March 2017, and the rights exclusively reverted to him. *Id.* In April 2020, Sgromo filed documents that he alleged are assignments of the H2O-GO! trademarks. S.A. 305–10.

Shortly after bringing suit, Sgromo filed a motion for a preliminary injunction. S.A. 344. Target then moved to dismiss the case for lack of subject matter jurisdiction.

A magistrate judge issued a report and recommendation that recommended granting Target’s motion to dismiss and also recommended denying Sgromo’s motion for a preliminary injunction. J.A. 8. The magistrate judge found that WEM, not Sgromo, owned the ’440 patent. J.A. 26–29. WEM then assigned the patent to Scott. *Id.* This meant that, Scott, not Sgromo, held all the rights to the ’440 patent and these rights never reverted to WEM or were later assigned to Sgromo, as Sgromo claimed. *Id.*

With regard to the ’422 patent, the magistrate judge found that although Sgromo was listed as an inventor,

Imperial Toy was the assignee of the patent and held all ownership rights to the patent. J.A. 29–31. With regard to the '298 patent, the magistrate judge found that although Sgromo was listed as an inventor, Eureka Inventions was the original assignee of the patent and then assigned all ownership rights to Bestway. J.A. 31–33. With regard to the H2O-GO! trademarks, the magistrate judge found that the trademarks were issued to and owned by Bestway and that Sgromo failed to demonstrate that he held any ownership rights over these trademarks. J.A. 33–35. The magistrate judge also found that Sgromo's purported assignments for the '422 and '440 patents and the H2O-GO! trademarks were not actual assignment documents but instead declarations and a notice of recordation with no legal effect. J.A. 26–35.

Because Sgromo lacked ownership of any of the asserted patents and trademarks, the magistrate judge recommended granting Target's motion to dismiss for lack of subject matter jurisdiction on the ground that Sgromo lacked standing to assert claims for infringement. J.A. 41. In addition, because Sgromo also failed to demonstrate that he had a fair chance of prevailing on any of his claims, the magistrate judge recommended denying Sgromo's motion for a preliminary injunction. J.A. 41–42. Judge John Tunheim adopted the report and recommendation and dismissed the claims. J.A. 2–14.

Sgromo then filed the present notice of appeal to this court, appealing the district court's grant of Target's motion to dismiss and denial of Sgromo's motion for a preliminary injunction. S.A. 433. We have jurisdiction under 28 U.S.C. § 1291.

DISCUSSION

We review a grant or denial of a motion to dismiss for lack of standing *de novo*, but the underlying facts used to support the decision are reviewed for clear error. See *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358, 1361

(Fed. Cir. 2009). “A finding is ‘clearly erroneous’ when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed.” *United States v. Gypsum Co.*, 333 U.S. 364, 395 (1948).

Because the grant, denial, or modification of a preliminary injunction is not unique to patent law, we apply the regional circuit law when reviewing and interpreting such decisions. *See, e.g., Aevoe Corp. v. AE Tech Co.*, 727 F.3d 1375, 1381 (Fed. Cir. 2013). The Eighth Circuit reviews a district court’s decision granting or denying a preliminary injunction for abuse of discretion. *See Barrett v. Claycomb*, 705 F.3d 315, 320 (8th Cir. 2013). A district court abuses its discretion by basing its decision, *inter alia*, on an erroneous legal standard or clearly erroneous findings of fact. *Id.*

Sgromo argues that the district court erred by failing to properly apply contract law in interpreting the assignments and corresponding ownership of the patents and trademarks at issue in this case. Target contends that this argument is baseless because the court did not engage in any contract interpretation. We agree with Target. The court did not engage in any contract interpretation in finding that Sgromo did not own any of the patents or trademarks at issue. To the extent that Sgromo contends that the court erred in finding that he did not have ownership of the patents and trademarks at issue, we disagree.

Sgromo did not hold ownership of any of the patents or trademarks when he asserted them. At all relevant times, as indicated by publicly available assignment forms, Scott, Bestway, or Imperial Toy owned the ’422, ’440, and ’298 patents and the H2O-GO! trademarks. *See* J.A. 26–35, 63; S.A. 111–22, 170–75. Although Sgromo is listed as an inventor on the ’298 and ’422 patents, he had assigned them to others and lacked ownership of these patents when he attempted to sue on them. In addition, the purported

assignments Sgromo filed for the '422 patent, '440 patent, and H2O-GO! trademarks have no legal effect. See 37 C.F.R. § 3.54 ("The recording of a document . . . is not a determination by the Office of the validity of the document or the effect that document has on the title to an application, a patent, or a registration.").

The district court's findings regarding ownership in the present case are consistent with those of the other courts that have found that Sgromo holds no ownership rights to the '422, '440, and '298 patents and the H2O-GO! trademarks. Because Sgromo lacked ownership of the patents and trademarks at issue when he brought this suit, he lacks standing to assert his claims for infringement. See *Paradise Creations, Inc. v. UV Sales, Inc.*, 315 F.3d 1304, 1309 (Fed. Cir. 2003) ("[T]o assert standing for patent infringement, the plaintiff must demonstrate that it held enforceable title to the patent *at the inception of the lawsuit.*") (emphasis in the original). We therefore affirm the court's dismissal of Sgromo's action.

Sgromo also asserts infringement of U.S. Patent 9,069,243 for the first time on appeal. This patent was not asserted against Target at the district court and cannot be raised for the first time on appeal. See *Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426 (Fed. Cir. 1997) ("With a few notable exceptions . . . appellate courts do not consider a party's new theories, lodged first on appeal. If a litigant seeks to show error in a trial court's overlooking an argument, it must first present that argument to the trial court.").

In light of our affirmance of the dismissal of Sgromo's action, the portion of the district court's decision addressing Sgromo's motion for a preliminary injunction is moot. Thus, we do not address Sgromo's appeal from that portion of the court's decision.

CONCLUSION

For the foregoing reasons, the decision of the district court is *affirmed*.

AFFIRMED

COSTS

Costs are awarded to Target.