

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 20-cv-01318-NYW

ALL PLASTIC, INC.,

Plaintiff,

v.

SAMDAN LLC, d/b/a Smokus Focus, d/b/a Smokusfocus.com,
SAMUEL WHETSEL, individually and as a member of SamDan LLC, and
DANIEL RUSSELL-EINHORN, individually and as a member of SamDan LLC,

Defendants.

ORDER DENYING MOTION TO AMEND

Magistrate Judge Nina Y. Wang

This civil action is before the court on Plaintiff All Plastic, Inc.’s (“Plaintiff” or “All Plastic”) Opposed Motion for Leave to Amend Complaint and Modify Scheduling Order (“Motion to Amend” or “Motion”) [#63, filed March 11, 2021]. The court considers the Motion pursuant to 28 U.S.C. § 636(c) and the Order of Referral dated August 10, 2020 [#24]. Having carefully reviewed the Motion, the associated briefing [#71, #76, #84-1],¹ the arguments made during the hearing held on July 2, 2021 [#103], the docket, and applicable law, this court **DENIES** Plaintiff’s Motion to Amend.

BACKGROUND

The court has discussed the factual background of this case in other orders, *see, e.g.*, [#57, #58], and therefore focuses only on the allegations most salient to the instant Motion to Amend.

¹ A restricted version of Defendants’ Opposition to the Motion to Amend is filed at [#77] but, for ease of use, this court cites to the redacted version that is publicly available at [#76]. In addition, the court granted Defendants’ Motion for Leave to File a Sur-Reply, reserving whether to substantively consider such Sur-Reply in the context of resolving this instant Motion. [#99].

Plaintiff All Plastic, Inc. (“Plaintiff” or “All Plastic”) contends it is a leading manufacturer of premium displays and containers for medicinal and recreational cannabis dispensaries. [#20 ¶ 19]. All Plastic is the assignee of U.S. Patent No. 10,384,834 (the “’834 Patent”) titled “Container for Providing Aromatic Sampling and Visualization of Contents.” [*Id.* ¶¶ 20, 21]. The ’834 Patent claims embodiments of a container that has a body and a lid that, when fitted together, form a sealed chamber. [*Id.* ¶ 24]. The lid has a “viewing opening” coverable by a lens affixed thereto. [*Id.*]. Within the lid are multiple scent openings, coverable by a removable plug. [*Id.*].

On May 6, 2020, All Plastic initiated this patent infringement action against Defendants SamDan LLC d/b/a Smokus Focus (“SamDan”), Samuel Whetsel (“Mr. Whetsel”), and Daniel Russell-Einhorn (“Mr. Russell-Einhorn”) (with Mr. Whetsel, “Individual Defendants” and collectively, “Defendants”) alleging that Defendants make, use, and sell containers for personal cannabis use that infringe upon the ’834 Patent. [#1]. On July 27, 2020, after the filing of an early dispositive motion directed at the original complaint, Plaintiff filed a First Amended Complaint for Patent Infringement and Demand for Jury Trial (“Amended Complaint”) [#20], as a matter of right pursuant to Rule 15(a)(1)(B) of the Federal Rules of Civil Procedure—thus mooted the first Motion to Dismiss. [#21, #27]. The Amended Complaint remains the operative pleading in this action. In the Amended Complaint, All Plastic asserts a single cause of action but multiple theories of patent infringement, i.e., by making, using, offering to sell, selling, importing, and exporting the JetPack containers, Defendants have thereby directly infringed, and have induced others to infringe, the Patent either literally or under the doctrine of equivalents pursuant to 35 U.S.C. § 271. *See generally* [#20]. All Plastic also claims that Defendants have willfully, deliberately, and intentionally infringed one or more claims of the Patent. [*Id.*]. As relief, Plaintiff seeks damages, enhanced damages for willful infringement, and permanent injunctive relief. [*Id.*].

The Parties appeared before this court for a Scheduling Conference in this matter on August 21, 2020, and the court entered the Patent Scheduling Order that same day. [#31, #32]. The Scheduling Order set a deadline for joinder of parties and amendment of pleadings for September 21, 2020. [#31 at 5]. The deadline for joinder of parties and amendment of pleadings was set for September 21, 2020; infringement contentions and claim charts for October 1, 2020; and responses to infringement contentions for November 20, 2020. [*Id.*]. Due to the extended deadlines, the court noted that no further extensions would be granted absent extraordinary circumstances. [#32 at 2].

Unfortunately, disputes have besieged this action, complicating the court's attempts to proceed efficiently. Beginning almost immediately, despite recognizing the inherent concerns of sharing information between competitors, the Parties could not agree as to the terms of a protective order. [#33, #34, #35]. In addition, the Parties have repeatedly clashed over discovery, resulting in both informal and formal discovery proceedings. *See, e.g.*, [#40, #41, #42, #43, #44, #48, #58, #81, #92, #95, #98, #107]. Indeed, along with the frequency of the disputes, the tone and tenor of communications both between counsel and in court filings have delayed the efficient progression of this case. [#58 at 22–23].

Many of the disputes have involved the Parties' concerns regarding their respective products and the production of information regarding the development, commercialization, and sale of such products. To that end, Defendants—in responding to discovery requests by Plaintiff—redacted information regarding products other than the JetPack products identified in the Amended Complaint, including Quasar, Payload, and Gas Giant products. [*Id.* at 19–21]. Unable to determine the relevancy of such additional products without expending significant court

resources—including time—this court ordered unredacted copies of documents reflecting such products to be produced no later than February 26, 2021. [*Id.* at 20–21].

This instant Motion followed on March 11, 2021. All Plastic seeks leave to amend its Complaint (and modify the Scheduling Order) so it may include allegations related to additional infringing products sold by Defendants that were discovered through the course of litigation. [#63]. Specifically, Plaintiff now seeks to add the Quasar, Payload, and Gas Giant products (“Additional Products”) as alleged infringing products. Defendants object, arguing that Plaintiff has not been diligent and that, based on its own admissions, Plaintiff had all the information needed to amend as early as May 2020, and no later than December 8, 2020. [#71]. In Reply, Plaintiff argues that while it was aware of the Additional Products in December 2020, it could not confirm that such Additional Products were sold in the United States until two weeks before it filed this instant Motion. On Sur-Reply, Defendants seek to introduce documents produced by Plaintiff on March 30, 2021—two days prior to their Response deadline—to further establish Plaintiff’s knowledge of the Additional Products and the lack of diligence on the part of Plaintiff in seeking amendment. [#84, #84-1].

LEGAL STANDARD

As the Parties recognize, the deadline to amend pleadings has long since passed, and accordingly, this court must engage in a two-step analysis in determining whether amendment at this juncture is proper under both Rule 16(b)(4) and Rule 15 of the Federal Rules of Civil Procedure. *See Gorsuch, Ltd., B.C. v. Wells Fargo Nat. Bank Ass’n*, 771 F.3d 1230, 1240 (10th Cir. 2014); *Pacific Specialty Ins. Co. v. Poirer*, 18-cv-00880-NYW, 2019 WL 2912511 (D. Colo. July 8, 2019) (applying the two-step analysis to determine whether amendment was proper). Rule 16(b) provides that a scheduling order “may be modified only for good cause and with the judge’s

consent.” Fed. R. Civ. P. 16(b)(4). “In practice, this standard requires the movant to show the ‘scheduling deadlines cannot be met despite [the movant’s] diligent efforts.’” *Gorsuch*, 771 F.3d at 1240 (citing *Pumpco, Inc. v. Schenker Int’l, Inc.*, 204 F.R.D. 667, 668 (D. Colo. 2001)). “This burden is satisfied, for example, when a party learns of new information in a deposition or that the governing law has changed.” *Id.* “Rule 16(b) does not focus on the bad faith of the movant, or the prejudice to the opposing party. Rather, it focuses on the diligence of the party seeking leave to modify the scheduling order to permit the proposed amendment.” *Colo. Visionary Acad. v. Medtronic, Inc.*, 194 F.R.D. 684, 687 (D. Colo. 2000).

Rule 15(a) provides that leave to amend “shall be freely given when justice so requires.” Fed. R. Civ. P. 15(a). The court may refuse leave to amend upon a showing of undue delay, undue prejudice to the opposing party, bad faith or dilatory motive, failure to cure deficiencies by amendments previously allowed, or futility of amendment. *Minter v. Prime Equip. Co.*, 451 F.3d 1196, 1204 (10th Cir. 2006) (quoting *Forman v. Davis*, 371 U.S. 178, 182 (1962)). The party contesting the motion to amend has the burden of proving that the amendment should be refused on one of these bases. *Corp. Stock Transfer, Inc. v. AE Biofuels, Inc.*, 663 F. Supp. 2d 1056, 1061 (D. Colo. 2009).

ANALYSIS

I. Good Cause for Amendment

The court first considers whether Plaintiff has established good cause for amendment of the deadline for joinder of parties and amendment of pleadings set in the Scheduling Order. As discussed above, the focus of this inquiry is All Plastic’s diligence. *Gorsuch*, 771 F.3d at 1240 (citing *Pumpco*, 204 F.R.D. at 668). Good cause may be satisfied when a plaintiff learns new information through discovery. *See Birch v. Polaris Indus., Inc.*, 812 F.3d 1238, 1247 (10th Cir.

2015). This court’s consideration of diligence is not a one-dimensional analysis, i.e., it is not solely preoccupied with the amount of chronological time that has lapsed between information and a party’s motion to amend. Nor does it apply a strict formula for its analysis. Instead, this court’s consideration of whether Plaintiff has met its Rule 16(b)(4)’s good cause burden relies upon an inquiry into the totality of specific factual circumstances.

Plaintiff first alleges that it learned of the Additional Products as a result of Defendants’ supplemental production, served on December 8, 2020, and that “the Additional Products were previously unknown to Plaintiff.” [#63 at 3]. As an initial matter, other information in the record, including Plaintiff’s Reply, contradicts this proposition. While Plaintiff disputes that one of the videos, [#71-1 at 2 (ALL_000890)], was posted on May 28, 2020 but not discovered until December 2020,² it does not address when it discovered the other social media posts. Notably, Plaintiff does not address Defendants’ video that bears indicia that it was recorded on May 7, 2020 at 8:04 a.m.—the day before the initial Complaint was filed. [*Id.* (ALL_002459)]. Nor does All Plastic address the screenshot reflecting multiple products taken on May 6, 2020 at 7:28 a.m. [*Id.* at 3 (ALL-002340)].

More importantly, the relevant inquiry for the purposes of diligence in this case is not when Plaintiff *actually* learned of Defendants’ Additional Products. Rather, given their public nature, the relevant inquiry in these circumstances is when Plaintiff *could have* learned of these Additional Products. Plaintiff does not dispute that it has been monitoring Defendants’ business and internet postings since at least early 2019. [#76 at 4]. Indeed, in the original Complaint, Plaintiff specifically identifies Defendants’ website, www.smokusfocus.com, as well as third-party

² The court notes that this proposition is attorney argument, and not supported by evidence such as a declaration from Plaintiff’s principal(s).

websites, as sources of information about Defendants’ products. [#1 ¶ 24]. Thus, it appears that as early as the filing of the initial Complaint in May 2020, Plaintiff was monitoring Defendants’ various product offerings beyond the accused JetPack. There is no dispute that Defendants were publicly advertising at least some of the Additional Products as early as May 2020. *See, e.g.*, [#71-1 at 4 (ALL_00089)].³ Furthermore, though Plaintiff characterizes the November 2, 2020 production as “a needle in the haystack,” there is no argument that it was not produced as of that date, or that it does not clearly identify the Additional Products by Defendants that include a scent vent and viewing window. [#70-1].

Particularly given the nature of the claims of the ’834 Patent that are directed at visible characteristics of an accused product, Plaintiff does not identify any basis to suggest that it was precluded from ascertaining—from publicly available information as of May or November 2020—whether there were other potentially infringing products. Nor is there any suggestion that All Plastic was precluded from purchasing Additional Products to examine them, or to determine whether such Additional Products were offered for sale or sold in the United States. Accordingly, Plaintiff was not required to rely upon Defendants’ production to ascertain the existence of Additional Products or their respective characteristics.

On Reply, Plaintiff pivots away from its argument that it did not know of the Additional Products until December 8, 2020 to argue that it could not have satisfied its Rule 11 burden of accusing the Additional Products as infringing because it did not know whether the Additional Products were used or sold in the United States. [#76 at 6]. This factual position is also belied by the record of this case. By the time All Plastic filed its Motion to Compel on January 4, 2021, it

³ The time stamp on another video indicates that it was taken on December 3, 2020 at 1:16 p.m. [#71-1 at 2 (ALL_002366)].

was not arguing about obtaining information about the Additional Products for the purposes of ascertaining infringement, but instead, for purposes of damages. [#48]. Indeed, despite the court’s inability to determine whether the Additional Products fell within the scope of the ’834 Patent [#58 at 20], All Plastic relied on a spreadsheet that contains less information than the one it now describes as “undated and unclear” in its Motion to Compel to describe the Additional Products as “other infringing products.” *Compare* [#76 at 6 (discussing [#70-1])] *with* [#50 at 9, 18; #50-12]. Unlike other cases where a plaintiff must rely upon non-public information to determine whether a product is infringing, most of the elements of the ’834 Patent—such as “perimetrical ridge” and “lens affixed to the lid”—appear to be directed at characteristics observable either from publicly available information or a tangible specimen. Thus, Plaintiff was not reliant on non-public information only ascertainable from Defendants.

In addition, as discussed above, nothing prevented Plaintiff from simply ordering Additional Products to determine whether, in addition to domestic advertising, the products were sold to domestic customers. There is no evidence before the court that All Plastic attempted to obtain the Additional Products from non-litigation sources but was thwarted. As previously noted, discovery is not intended to afford a party an opportunity to seek information—particularly information that is publicly ascertainable—for an unasserted claim, or a yet-to-be filed case. [#58 at 15 (citing *Cuomo v. Clearing House Ass'n, LLC*, 557 U.S. 519, 531 (2009) (observing that “[j]udges are trusted to prevent ‘fishing expeditions’ or an undirected rummaging through [materials] for evidence of some unknown wrongdoing”))]. Nothing in the record persuades this court that Plaintiff had to wait for Defendants’ production before alleging infringement.

A party's delay in performing the necessary pretrial preparation to recognize a claim does not satisfy Rule 16(b)'s good cause standard. *See Colo. Visionary Acad.*, 194 F.R.D. at 688. Given that the burden rests with Plaintiff to establish diligence, this court cannot conclude based on the

record before it that Plaintiff acted diligently to amend the Scheduling Order pursuant to Rule 16(b)(4). To do so simply because “sales of these products are substantial and may double damages at issue in this action,” [#63 at 7], would contravene the purpose of scheduling orders and reduce it to “a frivolous piece of paper, idly entered, which can be cavalierly disregarded by counsel without peril.” *See Cath. Health Init. CO v. Gross*, No. 05-CV-013660-REB-BNB, 2007 WL 3232455, at *1 (D. Colo. Oct. 29, 2007).

II. Rule 15(a)

Because the court finds that All Plastic has failed to establish good cause for modification of the Scheduling Order, it need not reach the question as to whether amendment would be proper under Rule 15(a). *See Gorsuch*, 771 F.3d at 1242. Thus, the court pauses only briefly to note that it would reach the same result under Rule 15(a). There is no absolute right to repeatedly amend a complaint and, in exercising its discretion under Rule 15(a), the court will be guided by considerations of efficiency. *See Squires v. Goodwin*, No. 10-CV-00309-CBS, 2012 WL 37508, at *7 (D. Colo. Jan. 9, 2012). The very purpose of this District’s Local Patent Rules is to give an orderly process to the identification of accused products and infringement contentions, as well as corresponding invalidity arguments. *See FOX Factory, Inc., v. SRAM, LLC*, No. 18-CV-00127-WJM-NYW, 2018 WL 11025749, at *3 (D. Colo. Mar. 15, 2018). This court finds that further amendment is untimely, inefficient, and would prejudice both Defendants’ and the court’s ability to proceed expeditiously in this action.⁴ Finally, while this court makes no finding of bad faith, it

⁴ Though not raised by the Parties, this court briefly addresses the Motion insofar as it could be interpreted as a Motion to Amend Infringement Contentions, given that Plaintiff does not seek to substantively change the causes of action asserted. *Compare* [#20] *with* [#62-1]. A party seeking to amend contentions between the Initial and Final Infringement Contentions must provide a separate statement of good cause. D.C.COLO.LPtR 16(a)(3). The Federal Circuit has found that “good cause” requires a showing of diligence. *See O2 Micro Int’l Ltd. v. Monolithic Power Sys.*, 467 F.3d 1355, 1366 (Fed. Cir. 2006). This is consistent with the Tenth Circuit’s interpretation of

simply notes that all Parties would benefit from abandoning the tone and tenor that has been woven throughout the filings and conduct before the court, in favor of focusing their respective efforts on presenting the court with specific, well-supported statements of fact and argument.

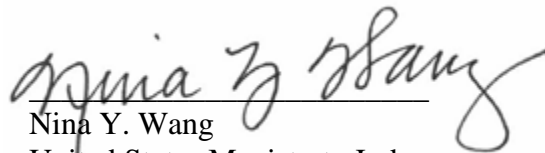
CONCLUSION

For the reasons stated herein, **IT IS ORDERED** that:

- (1) Plaintiff All Plastic, Inc.’s Motion to Amend [#63] is **DENIED**.

DATED: August 18, 2021

BY THE COURT:



Nina Y. Wang
United States Magistrate Judge

“good cause” under Rule 16(b)(4) discussed above. *See Gorsuch*, 771 F.3d at 1240. While good cause may be satisfied when a party seeking to amend infringement contentions demonstrates that amendment arose from discovery that was not available at the time of the Initial Contentions, *see Brandt v. Honnecke*, Civil Action No. 15-cv-02785-RM-NYW, ECF No. 176 (D. Colo. Sept. 14, 2018) (denying Defendant's Motion to Exclude/Strike Plaintiffs’ Supplemental Infringement Contentions), the record before the court does not present such circumstances—particularly given the public nature of these products.