

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
MISSOURI, EASTERN DIVISION

Arex Industries, Inc. v. Diode Dynamics, LLC, et al.

Arex Industries · No. 4:25-cv-00541-CMS · Decided February 26, 2026

SUMMARY

The United States District Court for the Eastern District of Missouri ruled on Defendant Diode Dynamics, LLC’s motion to dismiss and Plaintiff Arex Industries, Inc.’s request for leave to amend. The court dismissed the patent infringement claim only insofar as it alleged infringement based on Gen 1 headlights, dismissed the Missouri Merchandising Practices Act claim without prejudice, and granted leave to amend the trade dress and common-law unfair competition claims. The court denied as moot the motion to dismiss those claims and directed Plaintiff to file an amended complaint by March 12, 2026.

CASE DETAILS

COURT	United States District Court for the Eastern District of Missouri, Eastern Division
WRITING FOR THE COURT	Cristian M. Stevens
JURISDICTION	United States District Court for the Eastern District of Missouri
DECIDED	February 26, 2026
DOCKET	4:25-cv-00541-CMS
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to dismiss the first amended complaint with prejudice, and plaintiff requested leave to amend several counts.
STANDARD OF REVIEW	On a motion to dismiss, the court evaluates whether the complaint plausibly states a claim. Leave to amend under Federal Rule of Civil Procedure 15(a)(2) should be freely given absent undue delay, bad faith, repeated failure to cure deficiencies, undue prejudice, or futility.
PRECEDENTIAL VALUE	Unpublished district court memorandum and order; persuasive only.

TOPICS

- motions to dismiss
- motion to amend
- patent infringement
- trade dress
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the patent-infringement claim should be dismissed to the extent it relied on Diode Dynamics's Generation 1 headlights.
2. Whether the Missouri Merchandising Practices Act claim should be dismissed without prejudice based on plaintiff's concession.
3. Whether plaintiff should be granted leave to amend its trade-dress and common-law unfair-competition claims.

HOLDINGS

1. Count I was dismissed to the extent it alleged infringement based on Diode Dynamics's Generation 1 headlights, because plaintiff conceded that it did not seek relief based on those headlights and the patent issued only after Diode stopped selling them.
2. Count IV, the Missouri Merchandising Practices Act claim, was voluntarily dismissed without prejudice based on plaintiff's concession.
3. Leave to amend Counts II, III, and V was granted because none of the recognized reasons for denying amendment was present and defendant had not shown that the proposed amendments would be futile.

KEY QUOTATIONS

“A district court may appropriately deny the movant leave to amend if “there are compelling reasons such as undue delay, bad faith, or dilatory motive, repeated failure to cure deficiencies by amendments previously allowed undue prejudice to the non-moving party, or futility of the amendment.””

FACTUAL BACKGROUND

Arex alleged that Diode Dynamics infringed the '331 patent through its Generation 2 accused products. The first amended complaint also asserted trade-dress and common-law claims concerning the accused products. The complaint acknowledged that the '331 patent issued after Diode stopped selling its Generation 1 headlights.

PROCEDURAL HISTORY

Arex Industries filed a first amended complaint asserting patent infringement, trade-dress infringement, and Missouri unfair-competition claims. Diode Dynamics moved to dismiss. Arex conceded dismissal of the Missouri Merchandising Practices Act claim, disputed dismissal of the patent claim as to Generation 1 headlights, and sought leave to amend its trade-dress and common-law unfair-competition claims. The court partially granted and partially denied the motion to dismiss and granted leave to amend.

DISPOSITION

other

REMAND INSTRUCTIONS

Plaintiff was directed to file an amended complaint by March 12, 2026, together with a marked version showing new material underlined and removed material struck through, consistent with Local Rule 4.07.

CASES CITED

- Moses.com Sec., Inc. v. Comprehensive Software Sys., Inc., 406 F.3d 1052, 1065 (8th Cir. 2005)

OPINION

Arex Industries, Inc. v. Diode Dynamics, LLC, et al.

PER CURIAM.

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MISSOURI

EASTERN DIVISION

AREX INDUSTRIES, INC.,)

) Plaintiff,)) v.) No. 4:25-cv-00541-CMS)

DIODE DYNAMICS, LLC,)

et al.,)) Defendants.)

MEMORANDUM AND ORDER

This matter is before the Court on Defendant Diode Dynamics, LLC's Motion to Dismiss (Doc. 22) and Plaintiff Arex Industries, Inc.'s Request for Leave to Amend (Doc. 23). For the reasons set forth below, Defendant's Motion to Dismiss is GRANTED IN PART and DENIED IN PART. Plaintiff's Request for Leave to Amend is GRANTED.

ANALYSIS

On June 9, 2025, Plaintiff filed a First Amended Complaint (FAC), as a matter of course pursuant to Federal Rule of Civil Procedure 15(a)(1), against Defendant Diode Dynamics, LLC. The FAC contained five counts: Infringement of a United States Patent (Count I), Trade Dress Infringement (Count II), Trade Dress Infringement under Missouri Common Law (Count III), Unfair Competition in Violation of the Missouri Merchandising Practices Act (Count IV), and Unfair Competition in Violation of Missouri Common Law (Count V). (Doc. 21). Defendant Diode Dynamics filed a motion to dismiss Plaintiff's FAC with prejudice. (Doc. 22). In response, Plaintiff argues that Count I should not be dismissed, concedes that Count IV should be dismissed, and requests leave to amend Counts II, III, and V. (Doc. 23). Count I is Dismissed to the Extent it Relies on Diode's Gen I Headlights. Count I, Plaintiff's Infringement of a United States Patent claim, asserts that "Defendant intentionally sells, ships, or otherwise delivers Generation 2 of the Accused Products in the United States, with knowledge that they are designed to and do practice the infringing features of the '331 Patent." (Doc. 21 at 28). Defendant moves to dismiss this count as to the Gen 1 headlights because the FAC admits that the "331 patent did not issue until after Defendant stopped selling the Gen 1 headlights." (Doc. 22 at 1-2). In response, Plaintiff claims

that Count I “does not allege infringement based on [Gen] 1” and therefore “does not seek relief for alleged infringement by [Gen] 1.” (Doc. 23 at 3). Because Plaintiff concedes that Count I does not seek relief based on the Gen 1 headlights, Count I is Dismissed only to the extent it alleges infringement based on the Gen 1 headlights. Count IV is Voluntarily Dismissed without Prejudice. Plaintiff concedes that Count IV should be dismissed. (Doc. 23 at 8). Therefore, Count IV is Dismissed without prejudice. Plaintiff is Granted Leave to Amend Counts II, III, and V. Defendant also moved to dismiss Counts II, III, and V on the ground that those counts “fail[] to plausibly allege the asserted trade dress has acquired secondary meaning.” (Doc. 22-1 at 13). In response, Plaintiff requests leave to amend those three counts and has provided specific factual allegations that would be included in an amended complaint. (Doc. 23 at 5-7). Rule 15(a)(2) provides that “a party may amend its pleading only with the opposing party’s written consent or the court’s leave. The court should freely give leave when justice so requires.” A district court may appropriately deny the movant leave to amend if “there are compelling reasons such as undue delay, bad faith, or dilatory motive, repeated failure to cure deficiencies by amendments previously allowed undue prejudice to the non-moving party, or futility of the amendment.” *Moses.com Sec., Inc. v. Comprehensive Software Sys., Inc.*, 406 F.3d 1052, 1065 (8th Cir. 2005) (internal quotation marks and citations omitted). None of those compelling reasons exists here. This is Plaintiff’s first request for leave to amend its complaint pursuant to Rule 15(a)(2), and Plaintiff promptly so moved approximately two weeks after Defendant filed its Motion to Dismiss. Defendant has not demonstrated that Plaintiff’s proposed amendments would be futile. Plaintiff’s request for leave to amend the complaint is GRANTED. Plaintiff is directed to file an amended complaint on or before March 12, 2026. Plaintiff also shall file, as an attachment, a marked version of the amended complaint with all new material underlined and all material being removed struck through, pursuant to Local Rule 4.07. Defendant’s motion to dismiss Counts II, III, and V is Denied as moot.

CONCLUSION

Defendant’s Motion to Dismiss (Doc. 22) is GRANTED IN PART and DENIED IN PART. Plaintiff’s Count I is Dismissed to the Extent It Alleges Infringement Based on the Gen | Headlight. Plaintiff’s Count IV is Voluntarily Dismissed without Prejudice. Defendant’s Motion to Dismiss Counts II, III, and V is Denied as Moot. Plaintiff’s Request for Leave to Amend its First Amended Complaint (Doc. 23) is GRANTED. Plaintiff is directed to file an amended complaint and, as an attachment, a marked version of the amended complaint by March 12, 2026, consistent with Local Rule 4.07.

CRISTIAN M.STEVENS

UNITED STATES DISTRICT JUDGE