

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
NORTH CAROLINA

Tapp MFG, Inc. v. Speed UTV, LLC

1:24-CV-944 · No. 1:24-cv-00944 · Decided January 27, 2026

SUMMARY

The United States District Court for the Middle District of North Carolina addresses Tapp MFG, Inc.’s motion for a preliminary injunction in a patent infringement action against Speed UTV, LLC. The court preliminarily concludes that the parties did not form an express patent license under their email exchange or subsequent draft agreements, and the motion is granted based on the court’s stated reasons.

CASE DETAILS

COURT	United States District Court for the Middle District of North Carolina
WRITING FOR THE COURT	William L. Osteen, Jr.
JURISDICTION	United States District Court for the Middle District of North Carolina
DECIDED	January 27, 2026
DOCKET	1:24-cv-00944
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff sought a preliminary injunction in a patent-infringement action, alleging that Defendant continued to make, use, import, sell, and offer for sale clutches covered by Plaintiff's patent.
STANDARD OF REVIEW	A preliminary injunction requires the movant to clearly establish a likelihood of success on the merits, likelihood of irreparable harm absent relief, that the balance of equities favors relief, and that an injunction is in the public interest. In a patent case, likelihood of success requires a showing that the patentee will likely prove infringement and that the infringement claim will likely withstand validity and enforceability challenges.
PRECEDENTIAL VALUE	Unpublished district-court memorandum opinion and order; persuasive and interlocutory.

TOPICS

- patent infringement
- injunctions
- patent law
- contract formation
- civil procedure

PRACTICE AREAS

patent law

patent infringement

contracts

commercial litigation

civil procedure

QUESTIONS PRESENTED

1. Whether Tapp was likely to prove that Speed infringed U.S. Patent No. 12,104,695.
2. Whether the parties' communications and conduct created an express or implied license to practice the patented clutch design.
3. Whether any implied license had been terminated.
4. Whether Speed raised a substantial question concerning the validity or enforceability of the patent.
5. Whether Tapp demonstrated irreparable harm, a favorable balance of equities, and that a preliminary injunction would serve the public interest.
6. What bond was appropriate under Federal Rule of Civil Procedure 65(c).

HOLDINGS

1. Tapp sufficiently demonstrated for purposes of the preliminary injunction that Speed's clutch infringes the '695 patent, and Tapp was likely to prove infringement after termination of the implied license.
2. The November 4, 2020 email exchange and subsequent draft agreements did not create a binding express license because the parties did not mutually assent to the same essential terms.
3. The parties' entire course of conduct created an implied license for Speed to use the clutch design covered by the '695 patent.
4. Speed did not raise a substantial question that would defeat Tapp's likelihood of success on patent validity or enforceability.
5. Tapp established all four requirements for preliminary injunctive relief: likelihood of success, likely irreparable harm, a favorable balance of equities, and consistency with the public interest.
6. Tapp was required to post a nominal \$10,000 bond as a condition of the preliminary injunction.

KEY QUOTATIONS

“Accordingly, for the reasons discussed above, this court finds that an implied license to practice the ‘695 patent arose between Tapp and Speed, and Tapp had the power to and did in fact terminate said license at least upon filing this lawsuit on November 13, 2024.” (Section IV.A.1)

“To show that the ‘695 patent is invalid for obviousness, Speed must articulate a “reason why a skilled artisan would have made the combination” that Tapp made when it designed the clutch claimed by its ‘695 patent.” (Section IV.A.2)

“IT IS THEREFORE ORDERED that Plaintiff Tapp Mfg., Inc.’s Motion for Preliminary Injunction, (Doc. 8), is GRANTED.” (Conclusion)

“Defendant Speed UTV, LLC is hereby ENJOINED AND PROHIBITED from continuing to make, use, import, sell, or offer primary clutches that allegedly infringe Plaintiff Tapp Mfg., Inc.’s U.S. Patent No. 12,104,695.”

FACTUAL BACKGROUND

Tapp and Speed discussed using Tapp's clutch design in Speed's UTVs and exchanged proposed licensing terms by email in November 2020. The parties never executed a formal express license, but Tapp provided a prototype, helped adapt it to Speed's UTV, supplied technical information, accepted payments, and knew that Speed was manufacturing and selling clutches incorporating the design. Tapp obtained U.S. Patent No. 12,104,695 on October 1, 2024, and alleged that Speed continued making and selling infringing clutches after the patent issued.

PROCEDURAL HISTORY

Tapp filed its complaint on November 13, 2024, and moved for a preliminary injunction on December 18, 2024. Speed opposed the motion, the parties submitted reply and supplemental briefs, and the court held a hearing on October 31, 2025. The court granted the motion and entered a preliminary injunction upon Tapp's posting of a \$10,000 bond.

DISPOSITION

other

CASES CITED

- In re Microsoft Corp. Antitrust Litig., 333 F.3d 517, 525 (4th Cir. 2003)
- MicroAire Surgical Instruments, LLC v. Arthrex, Inc., 726 F. Supp. 2d 604, 615 (W.D. Va. 2010)
- Abbott Labs. v. Sandoz, Inc., 544 F.3d 1341, 1344-45 (Fed. Cir. 2008)
- Winter v. Nat. Res. Def. Council, Inc., 555 U.S. 7, 20 (2008)
- Di Biase v. SPX Corp., 872 F.3d 224, 230 (4th Cir. 2017)
- Natera, Inc. v. NeoGenomics Lab'ys, Inc., 106 F.4th 1369, 1375-77 (Fed. Cir. 2024)
- Centrak, Inc. v. Sonitor Techs., Inc., 915 F.3d 1360, 1371 (Fed. Cir. 2019)
- Microsoft Corp. v. GeoTag, Inc., 817 F.3d 1305, 1313 (Fed. Cir. 2016)
- Carborundum Co. v. Molten Metal Equip. Innovations, Inc., 72 F.3d 872, 878 (Fed. Cir. 1995)
- Silicon Graphics, Inc. v. ATI Techs., Inc., 607 F.3d 784, 793 (Fed. Cir. 2010)
- State Contracting & Eng'g Corp. v. Florida, 258 F.3d 1329, 1339 (Fed. Cir. 2001)
- McCoy v. Mitsuboshi Cutlery, Inc., 67 F.3d 917, 920 (Fed. Cir. 1995)
- Se. Caissons, LLC v. Choate Constr. Co., 247 N.C. App. 104, 110, 784 S.E.2d 650, 654 (2016)
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- Wiener v. AXA Equitable Life Ins. Co., 58 F.4th 774, 782 (4th Cir. 2023)
- Novamedix, Ltd. v. NDM Acquisition Corp., 166 F.3d 1177, 1182 (Fed. Cir. 1999)
- Snyder v. Freeman, 300 N.C. 204, 217, 266 S.E.2d 593, 602 (1980)
- Normile v. Miller, 313 N.C. 98, 103, 326 S.E.2d 11, 15 (1985)
- Ferguson v. Phillips, 268 N.C. 353, 355, 150 S.E.2d 518, 521 (1966)

- Standard Sand & Gravel Corp. v. McClay, 191 N.C. 313, 313, 131 S.E. 754, 755 (1926)
- Exec. Leasing Assocs. v. Rowland, 30 N.C. App. 590, 592, 227 S.E.2d 642, 644 (1976)
- Parker v. Glosson, 182 N.C. App. 229, 232, 641 S.E.2d 735, 736 (2007)
- Garland v. Orange County, 293 N.C. App. 232, 238-40, 900 S.E.2d 689, 694-95 (2024)
- De Forest Radio Telephone & Telegraph Co. v. United States, 273 U.S. 236, 241-42 (1927)
- Wang Labs., Inc. v. Mitsubishi Elecs. Am., Inc., 103 F.3d 1571, 1580 (Fed. Cir. 1997)
- Radar Indus. Inc. v. Cleveland Die & Mfg. Co., 424 F. App'x 931, 933-34 (Fed. Cir. 2011)
- Edison Elec. Light Co. v. Peninsular Light, Power & Heat Co., 101 F. 831, 836 (6th Cir. 1900)
- KPR U.S., LLC v. LifeSync Corp., No. 22-CV-60468-RAR, 2023 WL 5529176, at *11 (S.D. Fla. Aug. 27, 2023)
- Chemagro Corp. v. Universal Chem. Co., 244 F. Supp. 486, 490 (E.D. Tex. 1965)
- Purdue Pharma L.P. v. Boehringer Ingelheim GMBH, 237 F.3d 1359, 1365 (Fed. Cir. 2001)
- KSR Int'l Co. v. Teleflex, Inc., 550 U.S. 398, 412, 418 (2007)
- Titan Tire Corp. v. Case New Holland, Inc., 566 F.3d 1372, 1376-77 (Fed. Cir. 2009)
- Amazon.com, Inc. v. Barnesandnoble.com, Inc., 239 F.3d 1343, 1350-51 (Fed. Cir. 2001)
- ProBatter Sports, LLC v. Sports Tutor, Inc., 680 F. App'x 972, 976 (Fed. Cir. 2017)
- Real Truth About Obama, Inc. v. FEC, 575 F.3d 342, 347 (4th Cir. 2009), vacated on other grounds, 559 U.S. 1089 (2010)
- Sampson v. Murray, 415 U.S. 61, 90 (1974)
- Robert Bosch LLC v. Pylon Mfg. Corp., 659 F.3d 1142, 1151-56 (Fed. Cir. 2011)
- Int'l Lab. Mgmt. Corp. v. Perez, No. 1:14CV231, 2014 WL 1668131, at *14 (M.D.N.C. Apr. 25, 2014)
- LEGO A/S v. ZURU Inc., 799 F. App'x 823, 832 (Fed. Cir. 2020)
- Metalcraft of Mayville, Inc. v. The Toro Co., 848 F.3d 1358, 1369 (Fed. Cir. 2017)
- Glaxo Grp. Ltd. v. Apotex, Inc., 64 F. App'x 751, 756 (Fed. Cir. 2003)
- Abbott Labs. v. Andrx Pharms., Inc., 452 F.3d 1331, 1348 (Fed. Cir. 2006)
- Hybritech Inc. v. Abbott Labs., 849 F.2d 1446, 1458 (Fed. Cir. 1988)
- ActiveVideo Networks, Inc. v. Verizon Commc'ns, Inc., 694 F.3d 1312, 1341 (Fed. Cir. 2012)
- Citizens for a Responsible Curriculum v. Montgomery Cnty. Pub. Schs., No. Civ.A. AW-05-1194, 2005 WL 1075634, at *12 (D. Md. May 5, 2005)
- Neo Gen Screening, Inc. v. TeleChem Intern., Inc., 69 F. App'x 550, 556-57 (3d Cir. 2003)
- Lab'y Corp. of Am. Holdings v. Kearns, 84 F. Supp. 3d 447, 466 (M.D.N.C. 2015)

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