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Article

**WHERE THE BODIES ARE: CURRENT EXEMPLARS OF INEQUITABLE CONDUCT AND HOW TO AVOID THEM**

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### **\*288 I. Introduction**

The grant of a patent is given in exchange for disclosing a new, useful, and nonobvious invention.<sup>1</sup> To ensure that patents are not granted on inventions that are not new or that are merely obvious variants on those which the public already has the right to use, and that the disclosure is sufficient to permit those skilled in the art to make and use the invention and to practice its preferred embodiments,<sup>2</sup> every person substantively involved in the prosecution of an application has a duty to disclose to the Patent Office (“PTO”) information material to the patentability of the claimed invention.<sup>3</sup>

An attorney’s<sup>4</sup> involvement in prosecution creates duties independent of the inventor.<sup>5</sup> Specifically, the intentional failure of a prosecuting attorney to disclose **\*289** material information can result in the patent being held unenforceable in a later suit for infringement of that patent, even if the applicant was unaware of that information or of its importance to whether the invention was patentable.<sup>6</sup>

It is tempting to state that there is no such thing as too much disclosure, but practical realities including the time pressure on attorneys, the need for efficient and economic prosecution, and the risk of being accused of burying the most material information demonstrate that is not true. Instead, in the course of prosecuting an application, an attorney must exercise skill and judgment in determining whether and how to disclose information to the PTO in a way that complies with the duty of candor and balances the needs of both the PTO and the client.

This article briefly describes both the duty of candor as it applies to attorneys and applicants as well as current uncertainties in the black letter law of inequitable conduct. It then provides practical guidance as to the contours of that duty by analyzing its application to specific fact patterns. The article focuses not so much on the efforts of desperate infringers who have unsuccessfully raised the defense, but rather on where inequitable conduct has been found. In short, this article discloses where the bodies are.<sup>7</sup>

### **II. Fundamental Principles of Inequitable Conduct**

A breach of the duty of candor constitutes a violation of applicable ethical rules.<sup>8</sup> In addition, inequitable conduct is an equitable defense to patent infringement. **\*290**<sup>9</sup> Although often referred to as “fraud on the Patent Office,” inequitable conduct is not fraud.<sup>10</sup>

The elements of the defense of inequitable conduct are settled.<sup>11</sup> It requires proof by clear and convincing evidence of (1) either an affirmative misrepresentation or an omission of (2) material information (3) coupled with intent to deceive.<sup>12</sup> If both materiality and intent are established, the judge must decide through “equitable balancing” whether the conduct was so

culpable that the patent should be held unenforceable.<sup>13</sup>

If the judge makes an inequitable conduct finding, the effect is to render the affected patent unenforceable in its entirety. Even if the inequitable conduct only pertained to one claim of a patent (most have more than one),<sup>14</sup> every claim in the patent is rendered unenforceable.<sup>15</sup> Indeed, it is possible that inequitable conduct during the prosecution of one application can cause patents that issue on different, but related, applications to be held unenforceable.<sup>16</sup>

**\*291** This article next briefly describes the elements of inequitable conduct and the glosses that have been put on them. It then analyzes how those basic principles have been applied in specific contexts where unenforceability has been found.

## A. Materiality

The standard for determining whether information was “material” has changed over the years.<sup>17</sup> Prior to 1992, section 1.56 required applicants to submit information if there was “a substantial likelihood that a reasonable examiner would have considered th[e] information important in deciding whether to issue as a patent.”<sup>18</sup>

Responding to “criticism concerning a perceived lack of certainty” as to this standard of materiality, the PTO amended the section in 1992.<sup>19</sup> As amended, section 1.56 requires “[e]ach individual associated with the filing and prosecution of a patent application . . . to disclose to the Office all information known to that individual to be material to patentability as defined in this section.”<sup>20</sup> The significant change is “as defined in this section.” The rule goes on to provide that information is “material” only if it is not cumulative and:

(1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or

(2) It refutes, or is inconsistent with, a position the applicant takes in:

(i) Opposing an argument of unpatentability relied on by the Office, or

(ii) Asserting an argument of patentability. A prima facie case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.<sup>21</sup> **\*292** One current and important uncertainty is whether compliance with the narrower definition of materiality in amended section 1.56 puts the lawyer (and client) in a safe harbor. That is, if amended section 1.56 does not require disclosure of a particular piece of information, can the failure to disclose that information nonetheless still constitute inequitable conduct? The Federal Circuit has not yet had to decide whether information that is not “material” under amended section 1.56 can nonetheless be “material” for purposes of determining inequitable conduct.<sup>22</sup>

The argument that section 1.56 is not an exclusive listing of “material” information for purposes of determining inequitable conduct is compelling. First, the defense of unenforceability is created by statute.<sup>23</sup> It is doubtful that the PTO can affect the substance of the defense of unenforceability, which is specifically mandated by federal statute, by administrative fiat.<sup>24</sup> Second, in promulgating its 1992 version of section 1.56, the PTO stated that the rule did “not define fraud or inequitable conduct which have elements both of materiality and intent.”<sup>25</sup> Though cryptic, this comment suggests that the PTO recognized that it lacked power to affect inequitable conduct, and clearly that it did not intend to do so.<sup>26</sup> Finally, the Federal Circuit emphasized that materiality “embraces any information that a reasonable examiner would be substantially likely to consider important in deciding whether to allow an application to issue as a patent.”<sup>27</sup>

Consequently, if section 1.56 is not exclusive, then merely using amended section 1.56 as a checklist, and assuming that if the information is not covered by it that the information cannot be “material,” is unwise. Information that is material to **\*293** patentability, whether listed in amended section 1.56 or not, should be disclosed.<sup>28</sup> The consequence of applying the broader standard is that attorneys prosecuting patents must refer to the law of inequitable conduct and not of section 1.56 to determine materiality. That result arguably allows the inequitable conduct tail to wave the duty of candor dog, since only a tiny fraction of issued patents are actually litigated.<sup>29</sup> Nonetheless, it is correct because neither the courts nor the PTO, but only Congress, has the authority to narrow the scope of “unenforceability.”

Finally, no matter which definition applies, the concept of materiality is broader than, and so requires disclosure of, more than just “patent-defeating” information. Applicants are required to disclose information to the PTO even though the information would not by itself require rejection of a claim.<sup>30</sup>

#### **\*294 B. Intent**

Many believe that intent to deceive is the test, and indeed the Federal Circuit held en banc in *Kingsdown Medical Consultants, Ltd. v. Holister, Inc.*<sup>31</sup> that inequitable conduct occurs only if there is proof of intent to deceive the PTO. The court stated:

Some of our opinions have suggested that a finding of gross negligence compels a finding of intent to deceive. Others have indicated that gross negligence alone does not mandate a finding of intent to deceive.

“Gross negligence” has been used as a label for various patterns of conduct. It is definable, however, only in terms of a particular act or acts viewed in light of all the circumstances. We adopt the view that a finding that particular conduct amounts to “gross negligence” does not of itself justify an inference of intent to deceive; the involved conduct, viewed in light of all the evidence, including evidence of good faith, must indicate sufficient culpability to require a finding of intent to deceive.<sup>32</sup> Despite the clarity of these words, there is one gloss developing in the Federal Circuit’s case law that deserves discussion: the question of whether, despite an en banc opinion, negligence concepts nonetheless play a continuing role in inequitable conduct analysis.

##### 1. Negligence Concepts Continue to Be Relevant In Inequitable Conduct

Negligence concepts still enter into the determination of whether there has been proof of intent to deceive. They still thrive in several respects.

First, because there will seldom be direct evidence of intent to deceive, courts examine the materiality of the information. The greater the materiality, the more likely it is that there will be a finding of intent to deceive.<sup>33</sup> Put simply, people do not bother to misrepresent information that would not affect patentability. Consequently, if a highly material reference is withheld, a finding of intent to deceive is permissible. Negligence still matters. Even so, and despite the permissible use of inferences based upon the materiality of the information, the “intent to deceive can **\*295** not be inferred solely from the fact that information was not disclosed; there must be a factual basis for a finding of deceptive intent.”<sup>34</sup>

Second, negligence concepts also come into play in determining whether a person knew of the materiality of the information. While generally there must be proof that the person in fact knew that the information existed,<sup>35</sup> in determining “intent to deceive, a court must weigh all the evidence, including evidence of good faith.”<sup>36</sup> As a consequence, negligence principles, including whether the person “should have known” of the materiality of the information, are applied. As a district court recently explained, “to succeed on their failure to disclose allegation, defendants must show that plaintiff had knowledge of the existence of prior art but need show only that the plaintiff should have known of that prior art’s materiality.”<sup>37</sup> The issue of whether a person “should have known” of the materiality of information obviously turns on negligence principles.

The Federal Circuit applied an even more unusual gloss on this issue when it applied what amounts to an almost strict liability standard in determining whether inventors committed inequitable conduct for failing to disclose an on-sale bar.<sup>38</sup> The court held that “knowledge of the law is chargeable to the inventor.”<sup>39</sup> As a result, the clients were charged with knowing what constituted a “sale” under patent law, and that there was no exception for transfers between unrelated companies under **\*296** a “joint development” exception.<sup>40</sup> The court held that the inventors could not “reasonably believe[.]” otherwise.<sup>41</sup> Thus, the standard for determining whether an inventor “should have known” of the materiality of information apparently is based upon a reasonable inventor standard to the extent that inventors are ostensibly charged with knowledge of the law.

Third, and despite the statements that a person must actually know of the existence of information before a duty to disclose exists, negligence principles apply in determining whether a person involved in prosecution who did not actually know of material information nonetheless should be treated as if he did. Normally, it is black letter law that only information “known” by a person involved in prosecution must be disclosed.<sup>42</sup> For good reason, the notion that attorneys or their clients can be charged with knowledge that they “should have known” has been, with one exception, rejected by the Federal Circuit.<sup>43</sup>

In a remarkable case where the attorney was told to file the application within three days because of an approaching section 102(b)<sup>44</sup> critical date, the Federal Circuit explained:

[A] duty to investigate does not arise where there is no notice of the existence of material information. The mere possibility that material information may exist will not suffice to give rise to a duty to inquire; sufficient information must be presented to the attorney to suggest the existence of specific information the materiality of which may be ascertained with reasonable inquiry. Indeed, a finding of deceptive intent may not be based solely on gross negligence, including instances in which the patent attorney is completely unaware of the existence of specific information later discovered and found to be material. The district court in this case noted that gross negligence by the attorneys would be insufficient to support a finding of intent to deceive. Thus mindful of the correct law, the district court nonetheless determined that the attorneys' conduct surpassed gross negligence. We cannot find error in that determination.

There is no need for an attorney to pursue a fishing expedition to obtain information. Counsel can reasonably rely on information provided by the client, unless, as here, there is reason to question the accuracy or completeness of the information or to doubt the adequacy of the client's own investigation into material facts. Thus, no duty to inquire arises unless counsel is on notice of the likelihood that specific, relevant, material information exists and should be disclosed. Here, Price and Brody were aware that sales of the invention had been made approximately one year before the filing of the application \*297 and, in light of the questionable information given to them by "someone at Brasseler," they had a duty to investigate.

Implied notice of a fact is defined in Black's Law Dictionary, as "[n]otice that is inferred from facts that a person had a means of knowing and that is thus imputed to that person; actual notice of facts or circumstances that, if properly followed up," would have led to a knowledge of the particular fact in question. Thus, notice of a possibly material event - a sale, public use, publication, issuance of a patent, occurring on or about one year before the application is filed - arises when information of which the attorney is aware suggests the existence of specific information that may be material.<sup>45</sup> Thus, under some circumstances, lawyers are imputed with knowledge of facts which they knew should have existed. Whether they "should have" known them is inherently a negligence concept.<sup>46</sup>

This section has shown that negligence concepts are still highly relevant to inequitable conduct even though there must be a finding of intent to deceive. Since accused infringers usually prove intent by circumstantial evidence, this will cause them to scour the file wrapper for any misstatement, mischaracterization, or omission. Any steps that the attorney can take to avoid creating evidence that can lead to an inference of deceptive intent are obviously steps well taken. Taking care to be fair and accurate is probably the only useful advice that can be given in the abstract. Evidence of good faith can be considered to negate the inference of deceptive intent.<sup>47</sup>

When faced with a particularly troublesome question, perhaps a prosecuting attorney should imagine himself on the stand three or four years later with a jury or federal judge listening intently to the lawyer's defense under cross-examination of his actions. A lawyer prosecuting an application who faces a tough issue is then, \*298 and only then, in a position to affect the future. Many options open during the prosecution, such as amending the claims or apprising the examiner of new information, will not be available after issuance. Disclosure in close cases is often the answer, but too much disclosure can create its own problems. Patent prosecution takes care.

### **C. Whose Knowledge Counts?**

Section 1.56 is quite broad. Inarguably, the named inventors and the prosecuting attorney are covered by Section 1.56.<sup>48</sup> But it is not so limited: all persons involved in the merits of prosecuting an application, excluding clerical workers and the like, have a duty of disclosure.<sup>49</sup>

Persons other than the named inventor and the prosecuting attorneys may not know that they are under an obligation of disclosure. Accordingly, the Manual of Patent Examination Procedure recommends that the prosecuting attorney ensure "that all of the individuals who are subject to the duty of disclosure . . . are informed of and fulfill their duty."<sup>50</sup> One way to do this is to distribute to each person who is substantively involved in prosecution a form or letter describing the sorts of materials and information that must be disclosed to the PTO, explaining the consequences of failing to do so, and detailing the benefits of disclosing even marginally material information.<sup>51</sup>

## D. When Must Information Be Disclosed?

“Sooner rather than later, but better late than never” is the best summary. The PTO has regulations proscribing when information must be disclosed, and usually within 90 days of filing the application or, if discovered after filing, 90 days of its \*299 discovery.<sup>52</sup> Ninety days can at critical junctures of prosecution be “too long.” In this regard, the MPEP states: Submit information promptly. An applicant, attorney, or agent who is aware of prior art or other information and its significance should submit same early in prosecution, e.g., before the first action by the examiner, and not wait until after allowance. Potentially material information discovered late in the prosecution should be immediately submitted. That the issue fee has been paid is no reason or excuse for failing to submit information.<sup>53</sup> As one commentator put it, the “earlier the disclosure of a known piece of information relative to the examination the better.”<sup>54</sup> Obviously, if material information is disclosed to the PTO only after the examiner has allowed a patent to issue or otherwise adopted the position of the applicant, it is more likely that an accused infringer will later argue that the examiner was “sandbagged.”<sup>55</sup>

To avoid such accusations and to speed examination, disclosure should be prompt. Justifying delay is difficult.

## III. The Recent Patent Graveyards

### A. Prior Art

Nothing gives greater joy to an accused infringer than somehow discovering that the prosecuting attorney failed to disclose material prior art to the examiner. Typically, the battleground then becomes whether the withheld prior art was either more material than the disclaimed prior art or whether it was merely cumulative or more remote than art disclosed to the examiner. If the undisclosed reference was more material than the disclosed art, then a finding of materiality is likely. The sole issue will be whether it was withheld with intent to deceive.<sup>56</sup>

Prosecuting attorneys have difficult decisions to make during prosecution that require judgment and care. They must analyze whether they are aware of prior art that is material to patentability of each claim. The MPEP provides some useful insights into making this determination:

**\*300** It is desirable for an attorney or agent to carefully evaluate and explain to the applicant and others involved the scope of the claims, particularly the broadest claims. Ask specific questions about possible prior art which might be material in reference to the broadest claim or claims. There is some tendency to mistakenly evaluate prior art in the light of the gist of what is regarded as the invention or narrower interpretations of the claims, rather than measuring the art against the broadest claim with all of its reasonable interpretations. It is desirable to pick out the broadest claim or claims and measure the materiality of prior art against a reasonably broad interpretation of these claims.

It may be useful to evaluate the materiality of prior art or other information from the viewpoint of whether it is the closest prior art or other information. This will tend to put the prior art or other information in better perspective. However [amended] 37 C.F.R. [§] 1.56 may still require submission of prior art or other information which is not as close as that of record.<sup>57</sup> Even assuming the information is material, the PTO advises not to disclose material information which is cumulative to that already submitted.<sup>58</sup> Generally, if the reference discloses a more complete combination of the claimed elements than the art that has been submitted, or if it discloses an element that has become a focal point of prosecution and which is not disclosed in the submitted art, the reference is likely not merely cumulative.<sup>59</sup>

Attorneys who decide that information is cumulative and withhold it on that basis run the risk of being second-guessed later. By not submitting a piece of prior art of which the applicant or attorney is aware, the attorney permits an accused infringer to later argue that the withheld reference was not cumulative. This perhaps explains why the MPEP encourages submission of information, even of questionable relevance and even if arguably cumulative:

When in doubt, it is desirable and safest to submit information. Even though the attorney, agent, or applicant doesn't consider it necessarily material, someone else may see it differently and embarrassing questions can be avoided . . . . In short, the question of relevancy in close cases, should be left to the examiner and not the applicant.<sup>60</sup> Further, as a practical matter practitioners have the incentive to submit references. A patent that is issued after the examiner has considered a prior art reference is more readily

defended against charges of invalidity.

**\*301** Complying with the MPEP's suggestion to submit all references, however, has its own problems.

## **B. Buried Material Information**

“‘Burying’ is the submission of a highly material reference in a long list of less relevant references in the hopes that the examiner will not notice the material reference.”<sup>61</sup> Accused infringers can portray the submission of long lists of supposedly cumulative prior art as a deliberate effort by the prosecuting attorney to bury the critical prior art reference.<sup>62</sup>

The balance struck by the MPEP is helpful to consider. Despite encouraging submission of references in close cases, the MPEP specifically discourages submitting a long list of references.<sup>63</sup> In addition, it requires that if a long list is submitted, that the most significant references be highlighted for the examiner:

It is desirable to avoid the submission of long lists of documents if it can be avoided. Eliminate clearly irrelevant and marginally pertinent cumulative information. If a long list is submitted, highlight those documents which have been specifically brought to applicant's attention and/or are known to be of most significance.<sup>64</sup>

As with the MPEP, the courts consider the realities of patent practice in analyzing claims of burying references.<sup>65</sup> Despite the practical realities and the fact that burying by itself is highly unlikely to constitute inequitable conduct,<sup>66</sup> the Federal Circuit has held that burying is probative of “bad faith.”<sup>67</sup> Consequently, an accused infringer will attack the practice of listing a reference of more importance among those of lesser importance without calling its significance to the examiner's attention. Whether a court will ultimately find this behavior to constitute inequitable conduct depends on the materiality of the reference, evidence of intent, and other facts. Burying a reference by itself is probably insufficient to constitute inequitable conduct. Burying it and mischaracterizing it in some way, however, makes a finding of inequitable conduct far more likely.<sup>68</sup>

**\*302** Every practitioner, particularly those prosecuting in crowded arts, must balance the need for disclosure against the need to avoid burying references. If he does not disclose references, they will later be argued to be more material than those which were disclosed. If he discloses them in one long list, the accused infringer will contend that he buried the wheat with the chaff. One option is to submit the reference along with a concise explanation as to its significance or lack of significance to the prosecution. This also must be done with care.

## **C. Mischaracterized References**

An attorney who characterizes a reference must do so fully, accurately, and fairly. The examiner's attention should not be directed to the less-material portions of the reference. As the MPEP explains:

Care should be taken to see that prior art or other information cited in a specification or in an information disclosure statement is properly described and that the information is not incorrectly or incompletely characterized. It is particularly important for an attorney or agent to review, before filing, an application which was prepared by someone else, e.g., a foreign application.<sup>69</sup> Even assuming if an inaccurate characterization is made, inequitable conduct will not likely be found because the art was submitted. The PTO is presumed to have examined it and allowed the claims over the art. “Although misrepresentations about the relevance of a piece of cited prior art are often asserted to show inequitable conduct, it is difficult to prove materiality or an intent to deceive where the examiner has the art in front of her and can decide its relevance for herself.”<sup>70</sup> For that reason, courts continue to reject arguments based on mischaracterization where the reference was disclosed to and considered by the examiner.<sup>71</sup>

However, once again, mischaracterization of a reference will be relied upon as evidence of “bad faith.”<sup>72</sup> It will be part of the circumstantial evidence built to **\*303** establish both an inference and evidence of intent to deceive the PTO. While mischaracterization has rarely resulted in inequitable conduct by itself, any description should be done with care.

## D. Misleading Translations of Foreign-Language Prior Art References

Because of the increasing importance of protecting intellectual property internationally, it is increasingly common for prosecuting attorneys to obtain a partial translation of a pertinent foreign reference and submit the partial translation along with the complete reference in the foreign language during prosecution. This practice is consistent with PTO regulations which require submission of complete or partial translations in the possession of the applicant:

(i) A concise explanation of the relevance, as it is presently understood by the individual designated in § 1.56(c) most knowledgeable about the content of the information, of each patent, publication, or other information listed that is not in the English language. The concise explanation may be either separate from applicant's specification or incorporated therein.

(ii) A copy of the translation if a written English-language translation of a non-English-language document, or portion thereof, is within the possession, custody, or control of, or is readily available to any individual designated in §1.56(c).<sup>73</sup>

Section 1.98(3) creates two distinct obligations. First, if someone substantively involved in prosecution understands the language that a foreign reference is written in, that person has an obligation to explain their understanding of its relevance to patentability.<sup>74</sup> The fact that the lawyer does not speak the language does not excuse this obligation since the duties of client and lawyer are independent.<sup>75</sup>

The second obligation is to submit English translations of foreign references that the applicant possesses. Despite the clarity of this obligation, inequitable conduct has arisen in connection with translations. Three varieties exist.

### 1. Withholding Partial Translations the Applicant Possesses

Applicants do not have an obligation to obtain translations of foreign language references. However, when they have obtained one, failing to submit it can violate section 1.98(3). If the other elements of inequitable conduct are present, failing to submit a translation can result in unenforceability.<sup>76</sup> Courts will not excuse the failure of the applicant to submit a translation, even though the PTO has \*304 some authority to obtain translations, unless perhaps the applicant has given to the examiner a reason to obtain a complete translation.<sup>77</sup>

### 2. Submitting a Partial Translation That Omits the Most Material Aspects of the Reference

The submission of a partial translation, along with a concise explanation and the full reference - literal compliance with section 1.98(3) - does not insulate the applicant from a charge or finding of inequitable conduct. For example, intentionally submitting a partial translation and concise explanation concerning aspects of the reference that are known to be less significant to patentability than the portions not translated can constitute inequitable conduct. The Federal Circuit emphasized the fact that compliance with section 1.98(c) and the MPEP provisions relating to it<sup>78</sup> does not put the applicant in a safe harbor.<sup>79</sup> This is because an applicant may know that the untranslated portions of the reference are most material to patentability. An applicant who knowingly fails to translate the most material portions of a foreign language reference has neither complied with those rules nor insulated the patent from a finding of inequitable conduct.

The Federal Circuit analyzed a similar issue in *Semiconductor Energy Laboratory Co. v. Samsung Electronics Co.*,<sup>80</sup> where the applicant had submitted the full foreign language reference, along with a summary and concise statement, both of which indicated that the reference was not particularly pertinent.<sup>81</sup> The court rejected the argument that the examiner's ability to obtain a full translation obviated the charge of inequitable conduct, stating:

We perceive no clear error in the district court's conclusion that SEL effectively failed to disclose the Canon reference to the PTO by providing a one-page partial translation of the entire 29-page application. By submitting the entire reference to the PTO along with a one-page, partial translation focusing on less material portions and a concise statement directed to these less material portions, SEL left the examiner with the impression that the examiner did not need to conduct any further translation or investigation. Thus, SEL deliberately deceived the examiner into thinking that the Canon reference was less relevant than it really was, and constructively withheld the reference from \*305 the PTO. SEL's submission hardly satisfies the duty of candor required of every applicant before the PTO.

SEL's contention that the examiner must have both read and fully understood the entire untranslated Canon reference based on his having read the misleadingly incomplete one-page translation and concise statement is absurd. Though the examiner is presumed to have done his job correctly, there is no support in the law for a presumption that the examiner will understand

foreign languages such as Japanese or will request a costly complete translation of every submitted foreign language document, particularly in the absence of any reason to do so . . . .

SEL's contention that the PTO should not require applicants to translate all foreign references into English misses the critical point. The duty at issue in this case is the duty of candor, not a duty of translation. The duty of candor does not require that the applicant translate every foreign reference, but only that the applicant refrain from submitting partial translations that it knows will misdirect the examiner's attention from the reference's teaching. Here, the desirability of the examiner securing a full translation was masked by the affirmatively misleading concise statement and one-page translation.<sup>82</sup>

The facts of Semiconductor Energy Laboratory appear unusual, but one can imagine attorneys being accused of inequitable conduct under more innocent circumstances. For example, an attorney prosecuting a U.S. case with foreign counterparts might submit a partial translation obtained in a foreign case without analyzing whether the portions material to the U.S. case were translated. Care needs to be given in determining whether the translation discusses the portions that are material to the U.S. case. What this often means is careful adherence to literalisms.

### 3. Characterizing the Whole Reference Based On a Partial Translation

A lawyer who submits a partial translation needs to be quite literal. A charge of inequitable conduct can arise if the attorney characterizes the entire reference based upon the portion. For example, if the attorney overcomes a rejection by arguing that there is no teaching in the foreign reference of the critical feature or element, then the attorney has made a representation as to the scope and teaching of the entire foreign reference and not just the translated portion. Recently, two courts have addressed inequitable conduct charges in the context of partial translations and statements respecting the entire reference. The outcome largely turned on whether the accused infringer was able to gather sufficient circumstantial evidence to establish intent to deceive.<sup>83</sup>

**\*306** Lawyers should not assume that partial translations contain the portion most pertinent to the U.S. matter. No representation as to what the "reference" teaches should be made - only to what the translation states. Again, being both literal and precise is important.

### E. Test Data

Test data can become relevant to patentability in various ways. Among other things, tests can be used to show criticality, unexpected results, an additive effect, synergism, and other tangible benefits of a claimed invention over the prior art. For example, to overcome a rejection based on obviousness, an applicant may file a section 132 affidavit with evidence, often in the form of test data.<sup>84</sup> Likewise, in order to antedate a reference, an applicant can file a section 131 affidavit and submit test data.<sup>85</sup>

Because of its materiality and the fact that the PTO has no ability to verify or challenge the data, accused infringers often focus on test data as a basis for finding inequitable conduct. Their effort is made easier because an affidavit submitted specifically to overcome a rejection is likely to be deemed material for that reason alone.<sup>86</sup> As a result, submission of test data has been a focal point of inequitable conduct claims.

Portraying that a test had been conducted when in fact it had not has been the subject of recent successful inequitable conduct claims. The test must actually have been run, unless it is described in the present tense as a prophetic example.<sup>87</sup> Implying that an experiment "was run" when it was not is a misrepresentation:

Care should be taken to see that inaccurate . . . experiments are not introduced into the specification, either inadvertently or intentionally. For example, stating that an experiment "was run" or "was conducted" is a misrepresentation of the facts. No results **\*307** should be represented as actual results unless they have actually been achieved. Paper examples should not be described using the past tense.<sup>88</sup>

Running experiments, but submitting only those which support patentability, has proven fruitful grounds for inequitable conduct defenses. It is easy for judges to understand the impact on patentability of submitting only favorable data and withholding adverse results.<sup>89</sup> Yet, in the real world experiments are often "failures" for practical reasons - a gauge fails,

power fluctuates, or for some other reason the experiment is invalid. It is important for lawyers who withhold test data that “fails” to document (not for the PTO but for a later infringement suit) that the reasons for the “failure” were experimental or equipment flaws. It is also important that the client understand that “cherry-picking” is not permitted.

In addition to looking for non-existent tests and cherry-picking, accused infringers will examine the prosecution history and supporting lab notebooks for variations of any kind. Among them: (a) variations in test conditions; (b) variations in ingredients or materials; (c) any failure to follow the closest prior art or the closest example in the closest prior art; (d) any inconsistent test methods (for example, testing the prior art in one fashion but the claimed invention in another, where there is no principled reason for testing differently); and (e) any failure to advise the PTO of the known impact of variations or changes in test conditions or ingredients.

There are often practical issues that applicants face that make charges of wrong-doing based on variations easy to make. For example, the prior art may require the use of an ingredient or machine that is no longer available. To reduce the likelihood of finding inequitable conduct, any substitution or change to the prior art should be highlighted for the PTO. For the previous example, if the prior art calls for the use of a machine that is no longer readily available, the use of a different machine should be explained. Likewise, applicants may be faced with a prior art disclosure that the examiner contends renders the claimed invention obvious, but \*308 which has no clear direction as to which of a myriad of listed ingredients should be combined. Recognizing these practical issues, the MPEP advises:

Care should be taken to see that inaccurate . . . experiments are not introduced into the specification, either inadvertently or intentionally . . . Also, misrepresentations can occur when experiments which were run or conducted are inaccurately reported in the specification, e.g., an experiment is changed by leaving out one or more ingredients.<sup>90</sup>

Because of the heightened materiality of test data and the practical difficulties that testing creates, prosecuting attorneys need to exercise particular care in disclosing test conditions and methodologies. An accused infringer cannot argue that the examiner did not know what the applicant expressly and clearly disclosed. Care and thought should be given under such circumstances to fairly test the prior art and to explain why particular ingredients or methods were used. Again, the best test may be for the applicant and attorney to consider what they would say defending their choices on cross-examination at trial. “Where an element of doubt exists as to how much to disclose, one should err on the side of disclosure.”<sup>91</sup>

## F. Section 112 Disclosures

This part shows that applicants who intentionally withheld material information pertinent to the best mode and enablement requirements of 35 U.S.C. § 112 have had their patents found unenforceable. Section 112 requires disclosure in the specification of two separate types of information that are pertinent here.<sup>92</sup> First, the specification “must disclose information sufficient to enable those skilled in the art to make and use the claimed invention.”<sup>93</sup> Second, the specification must disclose the “best mode” known to the inventor at the time of filing the application.<sup>94</sup>

### 1. Enablement

In a matter of first impression, Judge McKelvie in *CFMT, Inc. v. YieldUP International Corp.*,<sup>95</sup> held that the failure to disclose information material to enablement can constitute inequitable conduct. The inventors had filed an application \*309 claiming a process and apparatus to make integrated circuits.<sup>96</sup> During prosecution and through commercial use of the claimed invention, they learned that it did not work - the wafers were contaminated and “filthy.”<sup>97</sup> In light of their knowledge, they filed a continuation-in-part application on the improved invention.<sup>98</sup> That application and the resulting ‘761 patent covered an improvement on the original application.<sup>99</sup>

Even though the applicants realized that the invention disclosed in the original application did not work, they continued prosecution of that application.<sup>100</sup> During its prosecution, the inventors filed declarations describing the supposed benefits of their invention, including the fact that it reduced contaminants.<sup>101</sup> This, of course, was contradicted by their experience in commercially using the system.<sup>102</sup> Eventually, two patents issued from this application, one on the process and one on the apparatus.<sup>103</sup>

The patentee first sued YieldUP for infringing the improved ‘761 patent.<sup>104</sup> After settling with YieldUP, the patentee then

sued again, but this time for infringing the two patents that had issued from the original application. YieldUP argued that the failure by the applicants to disclose the fact that during commercial use of the invention the inventors had learned that it did not produce clean wafers constituted inequitable conduct, since the failure of the invention to operate was material to the enablement requirement.<sup>105</sup> The district court agreed, holding the patents unenforceable.<sup>106</sup>

Similarly and more recently, the Federal Circuit affirmed a finding of unenforceability based on information that was material to enablement in *\*310 Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*<sup>107</sup> Significantly, the court upheld a finding of materiality even though the court held that the patent was enabled.<sup>108</sup>

Obviously, attorneys should pay particular attention to enablement when inventors are perfecting the invention while the attorney is prosecuting continuing applications. In addition, the initial form provided to persons skilled in the art should mention that the duty to disclose goes beyond requiring disclosure of prior art: section 112 is material to patentability.

## 2. Best Mode

Intentionally failing to disclose the best mode of carrying out an invention results in a finding of invalidity of a claim.<sup>109</sup> It can also result in unenforceability of the entire patent if the failure to disclose the best mode for even just one claim is done with an intent to deceive.<sup>110</sup>

Although it will be rare for accused infringers to need to establish inequitable conduct, since a best mode violation invalidates the patent, the MPEP advises to “ask questions of the inventor about the disclosure of the best mode.”<sup>111</sup> Practitioners must ensure that the best mode is disclosed by the inventor and included in the specification.

## G. Prior Sales

Omitting prior sales is obviously material in light of section 102(b).<sup>112</sup> The MPEP advises that it “may be desirable to submit information about prior uses and *\*311* sales even if it appears that they may have been experimental, not involve the specifically claimed invention, or not encompass a completed invention.”<sup>113</sup>

In *Brasseler U.S.A. I, L.P. v. Stryker Sales Corp.*,<sup>114</sup> a remarkable decision, the Federal Circuit recently affirmed summary judgment of inequitable conduct for failing to disclose prior sales. The attorney who prepared the application had been told to file it quickly because the applicant was running into the one-year bar.<sup>115</sup> In fact, the application was barred before it was filed.<sup>116</sup> In affirming not only the decision of the district court that the claims were barred by section 102(b) but also that the patent was unenforceable, the Federal Circuit held that an attorney who was told to file the application in three days should have further inquired into precisely when the sale had taken place.<sup>117</sup>

Finally, in evaluating or investigating prior sales or offers to sell, the attorney should consider the impact of *Pfaff v. Wells Electronics, Inc.*<sup>118</sup> on the need for disclosure. *Pfaff* creates a standard for what constitutes a “sale,” and hence, what constitutes material information, that may not comport with an inventor’s or business’ understanding.<sup>119</sup> According to *Brasseler*, clients are charged with lawyers’ knowledge of patent law.<sup>120</sup>

## H. Co-Pending Applications

The MPEP admonishes:

Do not rely on the examiner of a particular application to be aware of other applications belonging to the same applicant or assignee. It is desirable to call such applications to the attention of the examiner even if there is only a question that they might be ‘material to patentability’ of the application the examiner is considering. It is desirable to be particularly *\*312* careful that prior art or other information in one application is cited to the examiner in other applications which it would be material. Do not assume that an examiner will necessarily remember, when examining a particular application, other applications which the examiner is examining, or has examined.<sup>121</sup> As shown below, inequitable conduct allegations have been based not only upon the failure to disclose co-pending applications of the same clients, but also upon the co-pending applications of different clients as well as different clients of different lawyers in the same firm. Significantly, the issue presented in these cases is not limited to the question of disclosure of

co-pending applications. Rarely will one client's application be material to another client's since applications are not generally "prior art," and not likely to otherwise be material to patentability of each other. However, the fundamental issue of whether a lawyer has a duty to disclose information which is confidential to one client in prosecuting the application of another client is a growing concern.

### 1. Of Same Client of Same Lawyer

MPEP §§ 2004 and 2001.06(b) specifically address the need for attorneys to point examiners to co-pending applications of the same client. Where a co-pending application is material to patentability, the intentional failure of an attorney to disclose the application can constitute inequitable conduct, if done with an intent to deceive.<sup>122</sup> In *Dayco Products, Inc. v. Total Containment, Inc.*,<sup>123</sup> the district court held that inequitable conduct occurred when a lawyer failed to disclose a co-pending application that could have formed the basis of a double patenting rejection. The Federal Circuit affirmed the finding of materiality, but held that the fact that the applicant disclosed the co-pendency to one of the two examiners involved was evidence of good faith, and thus negated a finding of intent to deceive.<sup>124</sup>

### 2. Of Different Clients of Same Lawyer

Much has been written about the Federal Circuit's decision in *Molins*, where a divided panel addressed the question of whether a lawyer must disclose the application of one client during prosecution of a different client's application where the failure to do so would violate the duty of candor.<sup>125</sup>

A lawyer who knows that one client's application is material to an application of a different client has some serious issues to address - a full discussion of which is beyond the scope of this article. Generally, the lawyer must consider whether he **\*313** has the ethical freedom to disclose confidential information of one client during representation of another. He may need the consent of the client to do so, and he may need to withdraw if consent is not forthcoming.

### 3. Of Different Clients of Other Firm Lawyers

The Federal Circuit has only once analyzed whether it is inequitable conduct for two lawyers in the same firm to knowingly - a key word - prosecute applications which are material to each other for different clients. In *Akron Polymer Container Corp. v. Exxel Container, Inc.*,<sup>126</sup> the court held that because the attorneys disclosed the co-pending applications, which had overlapping subject matter, to one but not both of the examiners, obviates the claim of inequitable conduct.<sup>127</sup>

There is scant law in this area.<sup>128</sup> Where two lawyers in the same firm become aware that they are prosecuting applications which are material to each other, extreme care needs to be exercised. The lawyers may be unable to continue to prosecute one or both applications without disclosing the existence of the other application to the examiner. The existence of a pending application may be a client confidence that the lawyer may not disclose without the client's informed consent. As with the solo practitioner who discovers he is prosecuting applications that are material to each other, the firm may have to withdraw from one or both representations.

Finally, some commentators have suggested that principles of imputed knowledge might apply in determining whether a lawyer in a firm must disclose information concerning other applications being prosecuted by other attorneys in the same firm.<sup>129</sup> The better view is that imputed knowledge does not apply for purposes of determining inequitable conduct. If a lawyer does not have actual knowledge of a material, co-pending application, there is no duty to disclose it. Some disagree. Individual firms needs to analyze how to address this issue.

## **I. Rejection of Substantially Similar Claims by Another Examiner**

Merely disclosing to an examiner the pendency of a related application may not be enough. The Federal Circuit, in a matter of first impression, recently held that applicants have a duty to inform examiners of the rejection of substantially **\*314** similar claims by other examiners.<sup>130</sup> The court recognized that "examiners are not bound to follow other examiners' interpretations," but nonetheless held that "knowledge of a potentially different interpretation is clearly information that an examiner could consider important when examining an application."<sup>131</sup>

The court gave two policy reasons for its holding. First, it posited that if applicants were not required to disclose prior rejections of substantially similar claims by other examiners, then “applicants may surreptitiously file repeated or multiple applications in an attempt to find a ‘friendly’ examiner.”<sup>132</sup> Likewise, it emphasized that patent applications “are often very complicated, and different examiners with different technical backgrounds and levels of understanding may often differ when interpreting such documents.”<sup>133</sup>

The practical implication of this rule could be quite onerous. While practitioners no doubt by now know of their responsibility to disclose related applications to an examiner, disclosure of pendency is not enough; applicants must now examine office actions in related applications to see if the examiner has rejected “substantially similar” claims. The examiner’s attention must be directed to the rejection in a prior office action of “substantially similar” claims.

## **J. Information Gleaned From On-Going Litigation**

The fact that there is on-going litigation concerning the subject matter of a patent application may itself be material information. In addition, the litigation may lead to discovery of information that is material. Consequently, the MPEP advises:

Where the subject matter for which a patent is being sought is or has been involved in litigation, the existence of such litigation and any other material information arising therefrom must be brought to the attention of the Patent and Trademark Office. Examples of such material information include evidence of possible prior public use or sales, questions of inventorship, prior art, allegations of ‘fraud,’ ‘inequitable conduct,’ and ‘violation of duty of disclosure.’ Another example of such material information is any assertion that is made during litigation which is contradictory to assertions made to the examiner. Such information might arise during litigation in, for example, pleadings, admissions, \*315 discovery including interrogatories, depositions, and other documents and testimony.<sup>134</sup>

Myriad circumstances can make litigation or the information disclosed during litigation material to a pending application. For example, if the litigation involves a parent application, the litigation or the information from it could be relevant to continued prosecution of continuation applications.<sup>135</sup> Litigation could turn up evidence of prior sales, public uses, or other information that was not apparent earlier in prosecution.<sup>136</sup> In one recent case, the Federal Circuit affirmed summary judgment of unenforceability where the practitioner knew of but failed to disclose in a reexamination proceeding court opinions construing the claim language.<sup>137</sup>

The practical problem is that a lawyer who is prosecuting an application may not be involved in litigation over an issued, related patent. His client and the inventors, however, may become aware of facts which must be disclosed to the PTO. Thus, it is important that the inventors understand that on-going litigation may result in the need to disclose information during prosecution or related applications.

## **K. Information Relating to Inventorship**

“[I]nformation about inventorship is material under 37 C.F.R. § 1.56.”<sup>138</sup>

In practice, patent examiners do not normally engage in determination of the respective contributions of the individual members of an inventive entity as part of making an ex parte examination; rather, it is the responsibility of the applicants and their attorneys to ensure that the inventors named in an application are the only true inventors.<sup>139</sup> Although under some circumstances, invalidity caused by misjoinder and nonjoinder may be corrected under section 256,<sup>140</sup> leaving off an inventor, or (more rarely) \*316 naming as an inventor a person who did not contribute to claimed subject matter can result in unenforceability.<sup>141</sup>

In two recent cases the Federal Circuit affirmed findings of inequitable conduct based upon issues concerning misjoinder or nonjoinder of inventors. First, in *Frank’s Casing Crew & Rental Tools, Inc. v. PMR Technologies*,<sup>142</sup> the court affirmed a finding of unenforceability where the two named inventors deliberately concealed a true inventor’s involvement in the conception of the claimed invention and “engaged in a pattern of intentional conduct designed to deceive the attorneys and the PTO as to who the true inventors were.”<sup>143</sup> It is not clear that derivation occurred or that the finding of inequitable conduct

was based upon that. Instead, the Federal Circuit in affirming noted that the district court had focused on evidence that the named inventors had omitted the inventor as part of a “deliberate schem[e] . . . to claim the patents for themselves and to omit” the omitted inventor “from participation.”<sup>144</sup>

Second, in *PerSeptive Biosystems v. Pharmacia Biotech*,<sup>145</sup> the court affirmed unenforceability, not because true inventors were omitted, but because of statements made to obfuscate that might have been the case. In so holding, the Federal Circuit seemed to suggest that even if inventorship were correct, the statements intended to hide the fact that it might not be correct could be material:

There can be no doubt that - irrespective of whether the district court was correct in holding . . . that the inventorship was incorrect - the intentional “misrepresentations, omissions and half-truths to the PTO,” made as a “persistent course” of conduct, are highly material. As the court found, these falsehoods and omissions were calculated to “obfuscate the threshold issue of inventorship.” As a critical requirement for obtaining a patent, inventorship is material. Examiners are required to reject applications under 35 U.S.C. § 102(f) on the basis of improper inventorship. Accordingly, the Manual of Patent Examining Procedure details the “rules” of inventorship to be used by examiners and specifically notes that information about inventorship is material under 37 C.F.R. § 1.56.

Furthermore, the intentional falsehoods and omissions found by the district court easily meet our oft-stated test for materiality: information is material if there “is a ‘substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent.’” As we noted above, an examiner must attend to the question of inventorship, pursuant to 35 U.S.C. § 102(f). A full and accurate disclosure of the true nature of the relationship between PerSeptive and Polymer Labs, \*317 and the contributions of Warner, Lloyd, and Rounds, would have been “important” to a reasonable examiner’s consideration of the inventorship question.

PerSeptive’s argument that the patents’ claims were narrowed during prosecution, thereby curing any possible inventorship problem, misses the point. First, whether the inventorship of the patents as issued is correct does not determine the materiality of the statements in this case, just as whether concealed prior art would actually invalidate the patent is irrelevant to materiality.

Second, the materiality of intentional false statements may be independent of the claims of the patent. Accepting PerSeptive’s argument that the narrowing of the claims here renders immaterial the false statements misdirects the focus of the inquiry: the issue is not inventorship per se, but misinformation about inventorship. The district court found that the named inventors intentionally presented falsehoods and omissions to the PTO on the subject of inventorship. There is no clear error in the district court’s finding that these statements were material.<sup>146</sup> These cases deserve study if you believe that misstatements concerning the origin of the invention are being made, even if you believe inventorship is correct. Further, PerSeptive reminds practitioners that the statements do not need to be material to patentability of the claims since correct inventorship is always material to allowance.

#### IV. Conclusion

Patent lawyers need to be aware of the difficult issues that the duty of candor creates, and they need to educate their clients regarding the law and procedures of the PTO. Only by ensuring that every person substantively involved in the prosecution of an application is aware of the scope and contours of this duty can a lawyer fulfill his duty to obtain a patent for his client.

#### Footnotes

<sup>a1</sup> Professor Hricik is an Assistant Professor of Law at the Walter F. George School of Law, Mercer University, where he teaches patent law and litigation, federal civil procedure, and professional responsibility. He served as chair of the Ethics and Professional Responsibility Committee of the ABA Intellectual Property Section, 2002-03, and was appointed in 2003 to the Professionalism & Ethics Committee of the American Intellectual Property Law Association. He has also taught professional responsibility at the University of Texas School of Law, and e-commerce law at St. Edward’s University Graduate School of Management. His website, [www.Hricik.com](http://www.Hricik.com), contains numerous resources for patent practitioners. The title is from John Wesley Harding, *Where the Bodies Are*, on *Why We Fight* (Sire/Reprise 1992). My thanks go to my research assistants, Alexandra Geczi and Zachary Thomas, for their fine work. In addition, I wish to thank Mr.

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<sup>1</sup> See 35 U.S.C. §§ 101, 102, 103 (2000 & Supp. 2003).

<sup>2</sup> See 35 U.S.C. § 112 (2000).

<sup>3</sup> 37 C.F.R. § 1.56 (2003). See generally *Refac Int'l, Ltd. v. Lotus Dev. Corp.*, 81 F.3d 1576, 1581, 38 U.S.P.Q.2d (BNA) 1665, 1668-69 (Fed. Cir. 1996) (discussing the elements of the inequitable conduct defense).

<sup>4</sup> Although this article often refers to “attorneys” for the most part, the issues discussed here apply equally to registered patent agents.

<sup>5</sup> See *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1381-86, 60 U.S.P.Q.2d (BNA) 1482, 1488-92 (Fed. Cir. 2001) (separately analyzing conduct of attorney and inventors).

<sup>6</sup> *FMC Corp v. Manitowoc Co.*, 835 F.2d 1411, 1415 n.8, 5 U.S.P.Q.2d (BNA) 1112, 1115 n.8 (Fed. Cir. 1987) (stating that knowledge and actions of an applicant’s representative are chargeable to applicant for purposes of determining enforceability of the patent); *Brasseler*, 267 F.3d at 1381-85, 60 U.S.P.Q.2d at 1488-91 (holding attorneys’ conduct was sufficient to find unenforceability).

<sup>7</sup> A finding of inequitable conduct buries not just the patent, but the lawyers who prosecuted it. Clients whose patents have been held unenforceable have sued their lawyers for breach of fiduciary duty and malpractice - often years after prosecution ended. For example, in *Lex Tex Ltd. v. Skillman*, 579 A.2d 244, 16 U.S.P.Q.2d (BNA) 1137 (D.C. 1990), the patents issued in 1963, but were not held unenforceable by the Federal Circuit until 1985. The result was the reversal of a \$9 million judgment in favor of the patentee against an infringer. *Lex Tex*, the patentee, then sued the lawyers for having failed to disclose the pertinent prior art to the PTO twenty years before.

<sup>8</sup> E.g., 37 C.F.R. § 10.23(c)(10) (2003). Despite continuing to be a violation of governing federal regulations, in the late 1980’s the PTO announced that it would no longer investigate whether applicants had attempted to deceive it. The office stated that it was doing so in light of the fact that the Federal Circuit - apparently in *Kingsdown Med. Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 9 U.S.P.Q.2d (BNA) 1384 (Fed. Cir. 1988) - had imposed “a high level of proof of intent to mislead ....” PTO Notice Regarding Implementation of 37 C.F.R. § 1.56, 1095 *Off.Gaz.Pat.Office* 16 (Sept. 8, 1988). See generally 4 Donald S. Chisum, *Chisum on Patents* § 11.03[4][b][iv] (1996).

Soon after making this announcement, the PTO formalized its decision to discontinue investigating allegations of inequitable conduct, except in the most egregious and clear cases, such as when a court has made a final decision that inequitable conduct has occurred. *Notice of Proposed Rulemaking, Duty of Disclosure*, 56 *Fed. Reg.* 37321, 37323 (Aug. 6, 1991).

<sup>9</sup> 35 U.S.C. § 282(1) (2000); *Critikon Inc. v. Becton Dickinson Vascular Access Inc.*, 120 F.3d 1253, 1255, 43 U.S.P.Q.2d (BNA) 1666, 1668 (Fed. Cir. 1997); *J. P. Stevens & Co. v. Lex Tex Ltd.*, 747 F.2d 1553, 1560-61, 223 U.S.P.Q. (BNA) 1089, 1092-94 (Fed. Cir. 1984) (holding that inequitable conduct “fits best” within section 282(1) as a grounds for unenforceability).

<sup>10</sup> See David Hricik, *Wrong About Everything: The Application by the District Courts of Rule 9(b) to Inequitable Conduct*, 86 *Marq. L. Rev.* 895, 912-16 (2003) (discussing Federal Circuit decisions holding that inequitable conduct is not “fraud”).

<sup>11</sup> But compare *Brasseler*, 267 F.3d at 1381, 60 U.S.P.Q.2d at 1488 (reasoning that *Kingsdown* requires a finding of intent to deceive) with Charles M. McMahon, *Intent to Commit Fraud on the U.S.P.T.O.: Is Mere Negligence Once Again Inequitable?*, 27 *Am. Intell. Prop. L. Ass’n. Q. J.* 49 (1999) (questioning whether negligence is still relevant). See also discussion *infra* notes 49-51 and accompanying text (discussing the duty to investigate, which turns on negligence principles).

- 12 See Lisa A. Dolak, *As If You Didn't Have Enough to Worry About: Current Ethics Issues for Intellectual Property Practitioners*, 82 J. Pat. & Trademark Off. Soc'y 235, 237-38 (2000).
- 13 *Id.* at 238. Although a district court can submit the ultimate question of equitable balancing to the jury, *Hebert v. Lisle Corp.*, 99 F.3d 1109, 1114, 40 U.S.P.Q.2d (BNA) 1611, 1614 (Fed. Cir. 1996), whether the judge can allow the jury to make a binding determination of equitable balancing appears to be an open question. *Juicy Whip, Inc. v. Orange Bang, Inc.*, 292 F.3d 728, 746 n.3, 63 U.S.P.Q.2d (BNA) 1251, 1263 n.3 (Fed. Cir. 2002) ("In light of our disposition on the inequitable conduct issue, we do not reach Juicy Whip's contention that the district court erred by making the jury finding binding upon the parties."). In contrast, if the jury decides a factual question that is intertwined with inequitable conduct - such as, for example, the fact that a prior art reference anticipates a claim - that fact finding would be binding in determining the materiality of the anticipatory reference, and so the jury's determination must come first and controls. See *Cabinet Vision v. Cabnetware*, 129 F.3d 595, 600-01, 44 U.S.P.Q.2d (BNA) 1683, 1686-67 (Fed. Cir. 1997) (Seventh Amendment precludes holding jury's findings on question of fact common to legal and equitable issues as merely advisory).
- 14 See David Hricik, *Aerial Boundaries: The Duty of Candor as a Limitation on the Duty of Patent Practitioners to Advocate for Maximum Patent Coverage*, 44 S. Tex. L. Rev. 205, 227 (2002).
- 15 *Kingsdown*, 863 F.2d at 877, 9 U.S.P.Q.2d at 1392.
- 16 *E.g.*, *Consolidated Aluminum Corp. v. Foseco Int'l Ltd.*, 910 F.2d 804, 809, 15 U.S.P.Q.2d (BNA) 1481, 1487 (Fed. Cir. 1990).
- 17 See *Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1364, 66 U.S.P.Q.2d (BNA) 1801, 1805-06 (Fed. Cir. 2003) (describing some of the varying standards applied by both the PTO and the courts).
- 18 *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1179 n.8, 33 U.S.P.Q.2d (BNA) 1823, 1827 n.8 (Fed. Cir. 1995).
- 19 See *Dayco Prods.*, 329 F.3d at 1364, 66 U.S.P.Q.2d at 1806.
- 20 37 C.F.R. § 1.56(a) (2003). The PTO clearly views this duty to disclose material information as part of a broader duty of candor, since the amended rule states that the duty of candor "includes" this duty to disclose material information. The precise scope of section 1.56 is beyond the scope of this article. See discussion *infra* note 22.
- 21 37 C.F.R. § 1.56(b) (2003).
- 22 *Dayco Prods.*, 329 F.3d at 1363-64, 66 U.S.P.Q.2d at 1805-06 (recognizing that whether the amended rule applies in inequitable conduct matters is an open question); see also *Margaret A. Boulware & Tamsen Valoir, Inequitable Conduct*, 619 PLI/Pat. 1245, 1249 (2000). See generally Dolak, *supra* note 12, at 239-40 (discussing the question of whether "old" section 1.56 standards of materiality continues to be applicable).
- 23 35 U.S.C. § 282(1) (stating that unenforceability "shall be" a defense to infringement).
- 24 For similar reasons, those who contend that information which is material can, nonetheless be withheld from the PTO if it is "confidential" in terms of the PTO's code of ethics - let alone state law - are incorrect. See *Simone Rose & Debra Jessup, Whose Rules Rule? Resolving Ethical Conflicts During the Simultaneous Representation of Clients in Patent Prosecution*, 12 Fed. Cir. B.J. 571 (2003) (contending that if information is confidential under state law, it cannot be disclosed to the PTO).
- 25 Duty to disclose, 57 Fed. Reg. 2021, 2024 (Jan. 17, 1992) (to be codified 37 C.F.R. pts. 1, 10). See *id.* at 2025 (explaining that "there is a duty of candor and good faith which is broader than the duty to disclose material information"); discussion *supra* note 20.

- 26 Cf. *Dayco Prods.*, 329 F.3d at 1364, 66 U.S.P.Q.2d at 1805 (“[T]he extent, if any, to which the PTO rulemaking was intended to provide guidance to the courts concerning the duty of disclosure in the context of inequitable conduct determinations is not clear.”).
- 27 *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1274, 60 U.S.P.Q.2d 1141, 1143-44 (Fed. Cir. 2001) (emphasis in original).
- 28 See also *Trinity Indus., Inc. v. Road Sys., Inc.*, 235 F. Supp. 2d 536 (E.D. Tex. 2002) (holding that even the failure to disclose statutorily mandated information may not be “material”).
- 29 *R. Polk Wagner, Reconsidering Estoppel: Patent Administration and the Failure of Festo*, 151 U. Pa. L. Rev. 159, 191 (2002) (concluding only .03% of patents are litigated).
- 30 *Norton v. Curtiss*, 433 F.2d 779, 795, 167 U.S.P.Q. (BNA) 532, 545 (C.C.P.A. 1970). The court recognized that requiring disclosure only of facts which would in and of themselves require rejection of the pending claims, or invalidate them after issuance, was too narrow:  
Findings of materiality should not be limited only to those situations where there can be no dispute that the true facts, or the complete facts, if they had been known, would most likely have prevented the allowance of the particular claims at issue or alternatively, would provide a basis for holding those claims invalid. In such cases, the claims at issue would probably be invalid, in any event, because of the existence of those facts, in and of themselves. Whether the claims would also be unenforceable because a fraud was committed in misrepresenting the facts to the Patent Office would really be of secondary importance. *Id.* (emphasis in original).  
Consequently, the Norton court held that information could be “material” even if it would not have, from an objective perspective, directly affected patentability of the claims at issue. *Id.* Instead, the court held that the subjective views of the examiner and applicant must be considered, and that if the court determines that “the claims would not have been allowed but for the misrepresentation, then the facts were material regardless of their effect on the objective question of patentability.” *Id.*  
The broader standard of looking at whether a reasonable examiner would have considered the information material - as opposed to whether, in light of the information the claims are patentable from an objective view point - serves several purposes. The Norton court emphasized that it served to give “real meaning” to the “relationship of confidence and trust between applicants and the Patent Office ....” *Id.* In addition, it reduces search costs, which is particularly important because, as government employees, examiners have a limited amount of time to spend on each application. Requiring applicants to submit only information that they know would result in denial of their claims would thus require examiners to spend more time on each application.  
It bears noting that later developments have made the Norton court’s statement that an applicant’s withholding of art that invalidates a claim only of secondary importance incorrect. Inequitable conduct with respect to one claim renders the entire patent - all other claims and not just the one claim - unenforceable, and could lead to unenforceability of related applications. See discussion supra notes 14-15 and accompanying text. In contrast, invalidity is generally determined on a claim-by-claim basis. See *Connell v Sears, Roebuck Co.*, 722 F.2d 1542, 1552, 220 U.S.P.Q. (BNA) 193, 201 (Fed. Cir. 1983) (holding that the validity of each claim must be determined separately). As a result of these differing consequences, an applicant who establishes that a claim is invalid invalidates only that claim; whereas an applicant who proves that a patentee intentionally withheld prior art that would have invalidated a claim renders the entire patent B and perhaps other patents wholly unenforceable.
- 31 863 F.2d 867, 9 U.S.P.Q.2d (BNA) 1384 (Fed. Cir. 1988); see Lynn C. Tyler, *Kingsdown Fifteen Years Later: What Does It Take To Prove Inequitable Conduct*, 13 Fed. Cir. B.J. 267 (2004).
- 32 *Kingsdown*, 863 F.2d at 876, 9 U.S.P.Q.2d at 1392 (citations omitted).
- 33 *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1234, 66 U.S.P.Q.2d (BNA) 1481, 1486 (Fed. Cir. 2003) (“[W]hen balanced against high materiality, the showing of intent can be proportionally less.”); *Abbott Labs. v. Torpharm, Inc.*, 300 F.3d 1367, 1380, 63 U.S.P.Q.2d (BNA) 1929, 1937 (Fed. Cir. 2002).
- 34 *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1289, 63 U.S.P.Q.2d (BNA) 1545, 1552 (Fed. Cir. 2002) (emphasis added).

35 Bruno Indep. Living Aids, Inc. v. Acorn Mobility Serv., Ltd., 277 F. Supp. 2d 965, 968 (W.D. Wis. 2003) (discussing Brasseler, 267 F.3d at 1380, 60 U.S.P.Q.2d at 1488; Nordberg v. Telsmith, Inc., 82 F.3d 394, 397, 38 U.S.P.Q.2d (BNA) 1593, 1595 (Fed. Cir. 1996); Dayco Prods., 329 F.3d at 1362, 66 U.S.P.Q.2d at 1804).  
The Federal Circuit has put a gloss on the requirement that there must be proof that the person “knew” of the information, again engrafting negligence principles into the analysis. See discussion infra notes 49-50 and accompanying text.

36 GFI, 265 F.3d at 1274, 60 U.S.P.Q.2d at 1144.

37 Bruno Indep. Living Aids, 277 F. Supp. 2d at 968-69 (emphasis in original). See GFI, 265 F.3d at 1273-74, 60 U.S.P.Q.2d at 1143-44.

38 Brasseler, 267 F.3d at 1385, 60 U.S.P.Q.2d at 1491.

39 Id., (quoting Molins, 48 F.3d at 1178, 33 U.S.P.Q.2d at 1826; FMC Corp., 835 F.2d at 1415 n.8, 5 U.S.P.Q.2d at 1115 n.8). Neither Molins nor FMC Corp. support the proposition that knowledge of the law is chargeable to applicants in order to determine whether an applicant knew of the materiality of the information. Instead, what each holds is that if a person substantively involved in prosecution of an application commits inequitable conduct, that person’s misconduct is chargeable to the applicant, and thus the applicant’s patent is unenforceable. See Molins, 48 F.3d at 1178, 33 U.S.P.Q.2d at 1826; FMC Corp., 835 F.2d at 1415 n.8, 5 U.S.P.Q.2d at 1115 n.8. The Brasseler court’s imputation of information from one person to another is, I believe, unprecedented in inequitable conduct law. See David Hricik, *The Risks and Responsibilities of Attorneys and Firms Prosecuting Patents for Different Clients in Related Technologies*, 8 *Tex. Intell. Prop. L.J.* 331, 348-49 (2000) (concluding that imputation of knowledge for purposes of determining inequitable conduct is incorrect as a matter of law).

40 Brasseler, 267 F.3d at 1385, 60 U.S.P.Q.2d at 1492.

41 Id.

42 See 37 C.F.R. § 1.56 (2003).

43 Cases holding that “should have known” of the existence of the information is not the standard are legion. E.g., Nordberg, Inc. v. Telsmith, Inc., 82 F.3d 394, 397, 38 U.S.P.Q.2d (BNA) 1593, 1595-96 (Fed. Cir. 1996) (failure to disclose can only be shown if the applicant knew of the information).

44 35 U.S.C. § 102(b) (2000).

45 Brasseler, 267 F.3d at 1384, 60 U.S.P.Q.2d at 1489-90 (citations omitted). The court went on to cite earlier cases:  
In *Hennessy*, we warned that “one should not be able to cultivate ignorance, or disregard numerous warnings that material information or prior art may exist, merely to avoid actual knowledge of that information or prior art.” Where one does, deceptive intent may be inferred. Once an attorney, or an applicant, has notice that information exists that appears material and questionable, that person cannot ignore that notice in an effort to avoid his or her duty to disclose. Similarly, in [*Paragon Podiatry*] we explained that absent credible evidence of good faith, evidence of a knowing failure to disclose sales that “bear all the earmarks of commercialization reasonably supports an inference that the inventor’s attorney intended to mislead the PTO.”  
Id. at 1384, 60 U.S.P.Q.2d at 1491 (internal citations omitted). See also *FMC Corp. v. Hennessy Indus., Inc.*, 836 F.2d 521, 526 n.6, 5 U.S.P.Q.2d (BNA) 1272, 1275 n.6 (Fed. Cir. 1986); *Paragon Podiatry Laboratory, Inc. v. KLM Laboratory, Inc.*, 984 F.2d 1182, 1193, 25 U.S.P.Q.2d (BNA) 1561, 1570 (Fed. Cir. 1993).

46 The key to properly reacting to a “red flag” indicating that specific material information exists is to ensure that those who are prosecuting applications understand that they cannot turn a blind eye to them. Repeated warnings cannot be ignored.

47 See Dolak, *supra* note 12, at 242.

48 See *id.*; see, e.g., *Brasseler*, 267 F.3d at 1385-86, 60 U.S.P.Q.2d at 1492 . In pertinent part, section 1.56 provides:

(c) Individuals associated with the filing or prosecution of a patent application within the meaning of this section are:

(1) Each inventor named in the application;

(2) Each attorney or agent who prepares or prosecutes the application; and

(3) Every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application.

(d) Individuals other than the attorney, agent or inventor may comply with this section by disclosing information to the attorney, agent, or inventor.

49 See discussion *supra* note 48.

50 U.S. Patent and Trademark Office, Manual of Patent Examining Procedure § 2004(17) (8th ed. 2001) [hereinafter MPEP].

51 Note from the author: I am developing a model form for use by practitioners. I will gladly e-mail a copy to anyone who requests it.

52 37 C.F.R. § 1.97 (2003).

53 MPEP, *supra* note 50, § 2004(12) (citing *Elmwood Liquid Prods., Inc. v. Singleton Packing Corp.*, 328 F. Supp. 974, 170 U.S.P.Q. (BNA) 398 (M.D. Fla. 1971)).

54 *Boulware & Valoir*, *supra* note 22, at 1252; see, e.g., *Golden Valley Microwave Foods Inc. v. Weaver Popcorn Co., Inc.*, 837 F. Supp. 1444, 1476, 24 U.S.P.Q.2d (BNA) 1801, 1809 (N.D. Ind. 1992) (in a case finding inequitable conduct the court noted that the applicant had cited art only after claims had been allowed).

55 Examiners have financial incentives that arguably make it less likely for them to re-open examination after receiving information once they have decided to allow an application. See *Hricik*, *supra* note 14, at 228-29 (discussing financial incentives of examiners).

56 See *supra* notes 33-34 and accompanying text (describing how intent to deceive is more likely to be found where the information is highly material).

57 MPEP, *supra* note 50, § 2004(5) & (6).

58 *Baxter Int'l, Inc. v. McGaw, Inc.*, 149 F.3d 1321, 1328, 47 U.S.P.Q.2d (BNA) 1225, 1229 (Fed. Cir. 1998).

59 See *id.* at 1329, 47 U.S.P.Q.2d at 1230. (finding withheld reference was not cumulative where the submitted prior art, as a whole, had disclosed all of the elements of the claimed invention, but only the withheld reference disclosed all of the elements in a single reference); *Semiconductor Energy Lab. Co. v. Samsung Elecs. Co.*, 204 F.3d 1368, 1374, 54 U.S.P.Q.2d (BNA) 1001, 1005 (Fed. Cir. 2000) (holding that withheld reference was not cumulative since it “contained a more complete combination of the elements claimed in the ‘636 patent than anything else before the PTO”).

60 MPEP, *supra* note 50, § 2004(10) (internal quotation marks and citations omitted).

61 *Boulware & Valoir*, *supra* note 22, at 1251.

62 Molins, 48 F.3d at 1183, 33 U.S.P.Q.2d at 1831.

63 MPEP, supra note 50, § 2004(13).

64 Id.; see Sunrise Med. HHG, Inc. v. AirSep Corp., 95 F. Supp. 2d 348, 460 & n.767 (W.D. Pa. 2000).

65 Molins, 48 F.3d at 1184, 33 U.S.P.Q.2d at 1832.

66 See id.

67 Id.

68 For courts finding inequitable conduct based upon burying, see Golden Valley, 837 F. Supp. at 1477, 24 U.S.P.Q.2d at 1827 (finding inequitable conduct where attorney listed reference but discussed less relevant aspects of it), and Penn Yan Boats, Inc., v. Sea Lark Boats, Inc., 359 F. Supp. 948, 175 U.S.P.Q. (BNA) 260 (S.D. Fla. 1972) (finding inequitable conduct where 13 references were listed in letter stating that they had been found in pre-filing search, but in fact the 13th reference was a patent that had issued afterward). For courts finding no inequitable conduct, see Molins, 48 F.3d at 1184, 33 U.S.P.Q.2d at 1832 (finding that attorneys' mere submission of long list of references soon after they were discovered did not evidence intent to deceive), Sunrise Med. HHG, 95 F. Supp. 2d at 460-61 (finding no inequitable conduct based upon lack of materiality of buried reference), Boehringer Ingelheim Yetmedica, Inc. v. Schering-Plough Corp., 68 F. Supp. 2d 508 (D.N.J. 1999) (finding accused infringer unlikely to prevail on claim of "burying references" because of lack of evidence of intent to mislead), and C&F Packing Co. v. IBP, Inc., 916 F. Supp 735, 750 (N.D. Ill. 1995) ("An examination of the IDS at issue ... does not support a finding that the applicants buried" the prior art).

69 MPEP, supra note 50, § 2004(7).

70 Boulware & Valoir, supra note 22, at 1254.

71 Id.; see also Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1581-82, 42 U.S.P.Q.2d (BNA) 1378, 1386 (Fed. Cir. 1997) (reversing finding of inequitable conduct based upon alleged mischaracterizations of prior art).

72 See Gambro, 110 F.3d at 1581-82, 42 U.S.P.Q.2d at 1386 (reversing finding of inequitable conduct based upon alleged mischaracterizations of prior art); Golden Valley, 837 F. Supp. at 1474, 24 U.S.P.Q.2d at 1824-25 (concluding that mischaracterizations evidenced an intent to deceive).

73 37 C.F.R. § 1.98(3) (2003); see also MPEP, supra note 50, § 609(A)(3) (providing additional guidance to applicants).

74 37 C.F.R. § 1.98(3)(i).

75 See discussion supra note 5 and accompanying text.

76 See Poly-America, Inc. v. GSE Lining Technology, Inc., No. CIV.A. 3:96-CV-2690, 1998 WL 355477, at \*4 (N.D. Tex. June 29, 1998) (allegation that applicant intentionally withheld material translations stated a defense of inequitable conduct).

77 See Semiconductor Energy Lab., 204 F.3d at 1377, 54 U.S.P.Q.2d at 1007-08 ("Though the examiner is presumed to have done his job correctly, there is no support in the law for a presumption that the examiner will understand foreign languages ... or will request

a costly complete translation of every submitted foreign language document ....”) (affirming finding of inequitable conduct).

78 MPEP, supra note 50, § 609.

79 Semiconductor Energy Lab., 204 F.3d at 1376, 54 U.S.P.Q.2d at 1007 (“Though [section] 98 requires that the applicant provide any existing translation of a foreign reference, [the section] provides neither a safe harbor nor a shield against allegations of inequitable conduct.”).

80 204 F.3d 1368, 54 U.S.P.Q.2d 1001.

81 Id. at 1375, 54 U.S.P.Q.2d at 1006-07.

82 Id. at 1377-78, 54 U.S.P.Q.2d at 1007-08 (affirming finding of inequitable conduct).

83 See, e.g., Key Pharmaceuticals v. Hercon Labs. Corp., 161 F.3d 709, 712-13, 48 U.S.P.Q.2d (BNA) 1911, 1913 (Fed. Cir. 1998) (affirming finding of no inequitable conduct based upon applicant’s submission only of abstract of Japanese patent, but stating that “while the finding of no materiality is problematic” the finding of an absence of intent to deceive provided a basis for affirming the trial court); LNP Engineering Plastics, Inc. v. Miller Waste Mills, Inc., No. CIV. A. 96-462-RRM, 2000 WL 33341185 (D. Del. Aug. 8, 2000) (finding that submission only of partial translation was not material because complete translation was cumulative).

84 37 C.F.R. § 1.32 (2003). See generally MPEP, supra note 50, § 716.02 (allegations of unexpected results); Monsanto Co. v. Bayer Bioscience, N.V., 264 F. Supp. 2d 852, 855 (E.D. Mo. 2002); Alan H. MacPherson et al., Ethics in Patent Practice (A Brief Visit to Several Areas of Concern), 574 PLI/Pat. 657, 700-02 (1999).

85 37 C.F.R. § 1.31 (2003); see, e.g., In re Zletz, 893 F.2d 319, 13 U.S.P.Q.2d (BNA) 1320 (Fed. Cir. 1989).

86 See Refac, 81 F.3d at 1583-84, 38 U.S.P.Q.2d at 1671 (“Affidavits are inherently material, even if only cumulative. The affirmative act of submitting an affidavit must be construed as being intended to be relied upon.”); Rohm & Haas Co. v. Crystal Chem. Co., 722 F.2d 1556, 1571, 220 U.S.P.Q. (BNA) 289, 300 (Fed. Cir. 1983) (“[T]here is no room to argue that submission of false affidavits is not material.”); Avco Corp. v. PPG Indus., Inc., 867 F. Supp. 84, 92, 34 U.S.P.Q.2d (BNA) 1026, 1032 (D. Mass. 1994) (“An affidavit offering comparison test data ... constitutes a representation to the PTO that the showing is a fair and accurate demonstration of the closest prior art of which the applicant is aware.”); Procter & Gamble Co. v. Kimberly-Clark Corp., 740 F. Supp. 1177, 1199, 12 U.S.P.Q.2d (BNA) 1577, 1594 (D.S.C. 1989) (“[T]he court cannot imagine a more material representation than a declaration submitted specifically to overcome a prior art rejection.”).

87 MPEP, supra note 50, § 608.01(p).

88 Id. § 2004(8); See Hoffmann-La Roche, Inc. v. Promega Corp., 323 F.3d 1354, 1363, 66 U.S.P.Q.2d (BNA) 1385, 1391-92 (Fed. Cir. 2003) (upholding finding that statement in specification that experiments “were run” was a false material misrepresentation when no test had been run, since the example was “written in the past tense” and inventors understood that “at least in a scientific publication, the use of the past tense means that an experiment was actually performed” and could not explain “why a different principle would apply in a patent application”).

89 See Monsanto Co., 254 F. Supp. 2d at 862 (finding inequitable conduct where applicant omitted unfavorable results in order to avoid narrowing claims); CFMT, Inc. v. YieldUP Int’l Corp., 144 F. Supp. 2d 305, 317 (D. Del. 2001) (finding inequitable conduct where submission to PTO outlining benefits of invention was contradicted by problems patentee had identified with patented machine while in use in marketplace); Sigma-tau Industrie Farmaceutiche Riunite, S.p.A. v. Lonza, Ltd., 62 F. Supp. 2d 70 (D.D.C. 1999) (denying patentee’s motion for summary judgment that inequitable conduct had not occurred); Golden Valley, 837 F. Supp. at 1475, 24 U.S.P.Q.2d at 1825 (finding inequitable conduct where test data reported to examiner contradicted test data

reported to different examiner). But see *Upjohn Co. v. Mova Pharmaceutical Corp.*, 225 F.3d 1306, 56 U.S.P.Q.2d (BNA) 1286 (Fed. Cir. 2000) (affirming finding of no intent to deceive based upon failure to submit tests conducted in different ingredient range).

90 MPEP, *supra* note 50, § 2004(8).

91 *MacPherson*, *supra* note 84, at 701.

92 In pertinent part, 35 U.S.C. § 112, P 1 provides:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains ... to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

93 *Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1321, 66 U.S.P.Q.2d (BNA) 1429, 1439 (Fed. Cir. 2003).

94 *Nobelpharma AB v. Implant Innovations, Inc.*, 141 F.3d 1054, 1064-65 (Fed. Cir. 1998).

95 144 F. Supp. 2d 305 (D. Del. 2001), *rev'd on other grounds*, 349 F.3d 1333 (Fed. Cir. 2003).

96 CFMT, 144 F. Supp. 2d at 308.

97 *Id.* at 309.

98 *Id.* at 310.

99 *Id.*

100 *See id.* at 311.

101 *Id.* at 311-12.

102 CFMT, 144 F. Supp. 2d at 310, 312.

103 *See id.* at 312.

104 *Id.* at 312.

105 *Id.* at 314.

106 *Id.* at 323.

107 326 F.3d 1226, 1234, 66 U.S.P.Q.2d (BNA) 1481, 1486-87 (Fed. Cir. 2003).

- 108 Bristol-Myers, 326 F.3d at 1238-39, 66 U.S.P.Q.2d at 1488. See generally William F. Lang, *Lawyer May Avoid Inequitable Conduct by Disclosing Patent Material*, 5 *Lawyers J.* 3 (May 16, 2003) (discussing Bristol-Myers).
- 109 Glaxo Inc. v. Novopharm Ltd., 52 F.3d 1043, 1049-50, 34 U.S.P.Q.2d (BNA) 1565, 1568-69 (Fed. Cir. 1995).
- 110 See Consolidated Alum. Corp. v. Foseco Int'l, Ltd., 910 F.2d 804, 807-08, 15 U.S.P.Q.2d (BNA) 1481, 1483-84 (Fed. Cir. 1990) (affirming finding of inequitable conduct based upon omission of best mode, and also the inclusion of fictitious best mode); Imperial Chem. Indus., PLC v. Barr Labs., 795 F. Supp. 619, 22 U.S.P.Q.2d 1906 (S.D.N.Y. 1992), vacated, 991 F.2d 811 (Fed. Cir. 1993) (unpublished table decision), available at No. 92-1403, 1993 WL 118931.
- 111 MPEP, supra note 50, § 2004(3); see also *Li Second Family Ltd. Partnership v. Toshiba Corp.*, 231 F.3d 1373, 1381, 56 U.S.P.Q.2d (BNA) 1681, 1687 (Fed. Cir. 2000) (affirming finding of inequitable conduct in case involving misrepresentation of facts involving priority). See generally MacPherson, supra note 84, at 691-96 (explaining why inequitable conduct based upon best mode violations will be rare).
- 112 See *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1351, 63 U.S.P.Q.2d (BNA) 1769, 1777 (Fed. Cir. 2002).
- 113 MPEP, supra note 50, § 2004(11); see *In re Dippin' Dots Patent Litig.*, 249 F. Supp. 2d 1346, 1364-65 (N.D. Ga. 2003) (pre-critical date activities "should have been disclosed even if it is eventually determined that [they] were experimental").
- 114 267 F.3d 1370, 60 U.S.P.Q.2d (BNA) 1482 (Fed. Cir. 2001).
- 115 See *Brasseler*, 267 F.3d at 1374, 60 U.S.P.Q.2d at 1483.
- 116 See *id.* at 1374-75, 60 U.S.P.Q.2d at 1483-84.
- 117 *Id.* at 1384-85, 60 U.S.P.Q.2d at 1489-90.
- 118 525 U.S. 55, 48 U.S.P.Q.2d (BNA) 1641 (1998).
- 119 *Brasseler*, 267 F.3d at 1385, 60 U.S.P.Q.2d at 1491 ("The court correctly concluded that the inventors knew that the sale was material. First, knowledge of the law is chargeable to the inventor."); see *Allen Eng'g.*, 299 F.3d at 1352, 63 U.S.P.Q.2d at 1778-79 (explaining *Pfaff*). Practitioners should also take into account the fact that courts are applying *Pfaff* retroactively, even though the decision arguably changed the definition of what constitutes a "sale" under section 102. See, e.g., *Novadigm, Inc. v. Marimba, Inc.*, No. C97-20194 JW, 2000 WL 228356 (N.D. Cal. Feb. 15, 2000); *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 93 F. Supp. 2d 1255 (S.D. GA. 1999) (finding offer to sell material under either *Pfaff* or "totality of the circumstances" test).
- 120 This is wrong, but it is the opinion of the court. See also discussion supra notes 45-46 and accompanying text.
- 121 MPEP, supra note 50, § 2004(9).
- 122 *Golden Valley*, 837 F. Supp. at 1474, 24 U.S.P.Q.2d at 1824-25.
- 123 329 F.3d 1358, 1365-66, 66 U.S.P.Q.2d (BNA) 1801, 1807 (Fed. Cir. 2003).

124 Id. at 1366, 66 U.S.P.Q.2d at 1807.

125 See, e.g., Hricik, *supra* note 39; Dolak, *supra* note 12, at 249-54; MacPherson, *supra* note 84, at 695-98.

126 148 F.3d 1380, 47 U.S.P.Q.2d (BNA) 1533 (Fed. Cir. 1998).

127 Id. at 1384, 47 U.S.P.Q.2d at 1535-36. The court reached the same result in *Dayco Prods.*, 329 F.3d at 1366, 66 U.S.P.Q.2d at 1807 (“Here, members of the family of applications that issued as the patents-in-suit were disclosed to the examiner assigned to the copending application,” a fact which “points away from an intent to deceive.”) (quoting *Akron Polymer*, 148 F.3d at 1383-84, 47 U.S.P.Q.2d at 1535).

128 See Dolak, *supra* note 12, at 248.

129 See, e.g., MacPherson, *supra* note 84, at 665.

130 *Dayco Prods.*, 329 F.3d at 1367-68, 66 U.S.P.Q.2d at 1808. The only other court to have so held is *Golden Valley*, 837 F. Supp. at 1474, 24 U.S.P.Q.2d at 1825 (“[I]t was important for [an examiner] to know that another knowledgeable Patent Examiner had carefully examined and rejected all claims of [another] application, including claims that were directly related to claims in the [present] application, on the grounds that the claims were obvious in light of prior art patents.”).

131 *Dayco Prods.*, 329 F.3d at 1368, 66 U.S.P.Q.2d at 1808. The court also stated in dicta that such rejections were “material” in terms of amended 37 C.F.R. § 1.56.

132 Id. at 1367, 66 U.S.P.Q.2d at 1808 (quoting ABA Section of Intell. Prop. L., Annual Report 1993-1994 (1994)) (brackets omitted).

133 Id. at 1368, 66 U.S.P.Q.2d at 1808.

134 MPEP, *supra* note 50, § 2001.06 (citing *Environ Prods., Inc. v. Total Containment, Inc.*, 43 U.S.P.Q.2d (BNA) 1288, 1291 (E.D. Pa. 1997)); see also 37 C.F.R. § 1.565 (2003) (requiring disclosure of litigation during reexamination proceedings); MPEP, *supra* note 50, § 1442.04 (disclosure during reissue proceedings).

135 See also *Critikon Inc. v. Becton Dickinson Vascular Access Inc.*, 120 F.3d 1253, 1257, 43 U.S.P.Q.2d (BNA) 1666, 1669 (Fed. Cir. 1997) (finding inequitable conduct based in part on attorney’s failure to disclose on-going litigation during reissue proceeding).

136 See *Golden Valley*, 837 F. Supp. at 1477, 24 U.S.P.Q.2d at 1827.

137 *Marlow Indus., Inc. v. Igloo Prods. Corp.*, No. 02-1386, 2003 WL 21212626 (Fed. Cir. May 23, 2003).

138 *Perseptive Biosystems, Inc. v. Pharmacia Biotech, Inc.*, 225 F.3d 1315, 1321, 56 U.S.P.Q.2d (BNA) 1001, 1005 (Fed. Cir. 2000). See generally *Antigone Kriss, Misrepresentation of Inventorship and the Inequitable Conduct Defense: Perseptive Biosystems, Inc. v. Pharmacia Biotech, Inc.*, 12 Fed. Cir. B.J. 285 (2002).

139 See *Bd. of Educ. v. Am. Bioscience, Inc.*, 333 F.3d 1330, 1344, 67 U.S.P.Q.2d (BNA) 1252, 1262 (Fed. Cir. 2003) (reversing

finding of inequitable conduct because it concluded that each named inventor and only true inventors were named).

<sup>140</sup> 35 U.S.C. § 256 (2002). See *Fina Oil & Chem Co. v. Ewen*, 123 F.3d 1466, 43 U.S.P.Q.2d (BNA) 1935 (Fed. Cir. 1997).

<sup>141</sup> Leaving off an inventor is worse than naming a “non-inventor” since only those persons substantively involved in prosecuting an application have a duty to disclose material information under section 1.56. Thus, if an inventor is left off, the PTO will not receive information concerning patentability from the person most likely to know it, an actual inventor.

<sup>142</sup> 292 F.3d 1363, 63 U.S.P.Q.2d (BNA) 1065 (Fed. Cir. 2002).

<sup>143</sup> *Id.* at 1376, 63 U.S.P.Q.2d at 1074.

<sup>144</sup> *Id.*

<sup>145</sup> 225 F.3d 1315, 56 U.S.P.Q.2d (BNA) 1001 (Fed. Cir. 2000).

<sup>146</sup> *Id.* at 1321-22, 56 U.S.P.Q.2d at 1005-06 (citations omitted).